The NATIONAL UNDERWRITER

Life Insurance Edition

FRIDAY, MARCH 11, 1955

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The NATIONAL UNDERWRITER

The National Weekly Newspaper of Life Insurance

59th Year, No. 10
March 11, 1955

MARCH 15 IS APPLICATION DEADLINE

286 Win '55 MDRT Status, Total to Feb. 28 Is 819

NEW YORK—The third list of qualifiers for the 1955 Million Dollar Round Table was released this week by Chairman George B. Byrnes, general agent of New England Mutual Life at New York City.

The list includes 286 qualifiers whose applications were approved between Jan. 31 and Feb. 28. These are divided as follows: Life and qualifying, repeating 113; life members, 40; life and qualifying, first time, 25; qualifying and repeating, 56; qualifying, first time, 52.

The number of officially qualified members through Feb. 28 is 819.

Mr. Byrnes warned MDRT applications and supporting documents must be in the mail not later than Mar. 15. He said processing of applications has been slowed because many contained errors that necessitated returning them to applicants or their home offices. There now is a backlog of papers awaiting approval.

LIFE & QUALIFYING, REPEATING

L. E. Andersen, Equitable Society, Pasadena; Daniel Auslander, Massachusetts Mutual, New York City; D. M. Austin, New York Life, Enid, Okla.; Huffman Baines, Jr. Southland Life, Austin, Tex.; H. J. Baker, Bankers National, Boston; N. S. Bienstock, Massachusetts Mutual, New York City; E. R. Brock, Penn Mutual, Des Moines, Ia.; Grace Wong Chow (Mrs.), Franklin Life, Hollywood, Cal.; H. M. Covert, Jr., Mutual Benefit, Allentown, Pa.; C. E. P. Crauer, Northwestern Mutual, Poughkeepsie; W. D. Davidson, Equitable Society Chicago; R. A. Davies, New York Life, San Francisco; D. E. Dean, Northwestern Mutual, Philadelphia; J. H. Dearie New York Life, New Orleans; G. E. Deras, Connecticut Mutual, Omaha.

J. N. Desmon, John Hancock, Buffalo; D. A. Donaldson, London Life, Toronto; Jules Ehrman, Lincoln National, Pittsburgh; E. R. Erickson, John Hancock, Buffalo; F. T. Fenn, Jr., National Life of Vermont, Hartford; A. C. F. Finkbiner, Jr., Northwestern Mutual, Philadelphia; H. V. Friedman, Massachusetts Mutual, New York City; W. E. Gehman, New England Mutual, Philadelphia; B. I. Gheen, Mutual Benefit, Cleveland; A. E. Gillman, Northwestern Mutual, Baltimore; E. T. Golden, New York Life, San Francisco; M. A. Goldstandt, John Hancock, Chicago; N. I. Gordon, Connecticut Mutual, Cleveland; Harry Greensfelder, Jr., Independent, St. Louis; F. R. Griffin, Jr., Connecticut Mutual, Philadelphia.

L. A. Groth, Penn Mutual, Bethlehem, Pa.; A. L. Hallenberg, Jr., Lincoln National, Louisville; R. W. Harbert, Northwestern Mutual, Battle Creek, Mich.; W. B. Hardy New England Mutual, Cincinnati; J. D. Heard, Pilot Life, Louisville; J. D. Hibbard, Mutual Benefit, Grand Rapids, Mich.; W. N. Hiller, Penn Mutual, Chicago; H. N. Hoffman, New York Life, Arlington, Va.; H. G. Horn, Business Men's Assurance, Portland, Ore.; Bernard Jaffe, Penn Mutual, San Francisco; F. M. Jones, Independent, Birmingham, Ala.; W. W. Jones, Mutual of New York, Pomona, Cal.; J. P. Joyce, Phoenix Mutual, Holyoke, Mass.; J. B. Kemp John Hancock, Chattanooga; C. J. King, Mutual Benefit, Kansas City,.

H. A. King (Dr.), Occidental of Cal., Baltimore; W. H. King, Mutual Benefit, Lima, Ohio; D. K. Kissinger, Massachusetts Mutual, Decatur, Ill.; A. H. Kollenberg, Mutual Benefit, Grand Rapids, Mich.; F. E. Kramer, Ohio National, Erie, Pa.; H. L. Landon, Southwestern Life, Amarillo, Tex.; Walker Laramore, Penn Mutual, Miami; Jack Lauer, Independent, Cincinnati; W. F. Lee, Penn Mutual, Philadelphia; R. L. Leitman, New York Life, Detroit; E. Y. H. Leong U. S. Life, Honolulu; A. J. Lewallen, Mutual Benefit, Miami; J. H. Lipscomb, New England Mutual, Jacksonville, Fla.; N. C. Litwack, John Hancock, Newark; J. F. Lo Bosco, Manufacturers Life, Welland, Can.

J. H. McCaffrey, Southwestern Life, Dallas; H. M. McCord, Independent Dallas; W. H. McCoy, New England Mutual, Detroit; L. C. McGann, National Guardian Life, Madison, Wis.; H. S. McIntyre, Northwestern Mutual, Minneapolis; L. C. Mascotte, Lincoln National, Fort Wayne; C. T. Mayes, John Hancock, Los Angeles; B. H. Micou, New England Mutual, Detroit; L. P. Mirsky, New England Mutual, New York City; W. B. Monroe, Union Central, New Orleans; P. M. Mucci, Metropolitan, Paterson, N. J.; L. C. Mumme, Jefferson Standard, San Antonio; D. L. Myrick, Great Southern, Lake Charles, La.; R. C. Newman, New England Mutual, St. Louis; A. L. Panella, Penn Mutual, Daly City. Cal.

G. E. Parris, Bankers National, Philadelphia; W. H. Pendell, Penn Mutual, Saginaw, Mich.; J. M. Pfeil, Equitable Society, Pittsburgh; Harry Phillips, Jr., Penn Mutual, New York City; J. P. Poole, Guardian Life, Atlanta; A. F. Priebe, Penn Mutual, Rockford, Ill.; D. M. Prince, Northwestern Mutual, Richmond; C. I. Quilling, New York Life, Dayton; Eugene Rappaport, Pacific Mutual, Chicago; C. D. Richardson, New England Mutual, Memphis; C. T. Rothermel, Jr., John Hancock, Chicago; S. H. Rumph, Northwerstern Mutual, Atlanta; R. M. Saville, Massachusetts Mutual, Newark; H. J. Schwahn, Northwestern Mutual, Milwaukee; C. A. Seys, Northwestern Mutual, Grand Rapids, Mich.

R. H. Sheldon, Equitable of Iowa, Los Angeles; S. M. Sitomer, Union Central, New York City; C. P. Spahn, Equitable, Iowa, Chicago; L. A. Spencer, Equitable Society, Youngstown, Ohio; G. G. Steiner, Aetna Life, New York City; S. J. Sugar, Penn Mutual, Washington, D. C.; H. M. Swarthout, Mutual Benefit, Kansas City; S. R. Swenson, Provident Mutual, New York City; D. J. Takagi, Occidental of Cal., Honolulu; H. E. Thoms, Jr., Philadelphia Life, Norristown, Pa.; T. W. Tuttle, Northwestern Mutual, Milwaukee; J. M. Utter, Equitable of Iowa, Seattle; F. A. Van Sant, National Guardian Life, Madison, Wis.; M. H. Webb, Jr., Life of Virginia, El Paso, Tex.; C. R. Weil, Northwestern Mutual, Cincinnati.

Sidney Weil, Mutual Benefit, Cincinnati;

(CONTINUED ON PAGE 22)

List Speakers for Sales Congress at NALU Midyear

Speakers for the sales congress to be presented March 24 at Columbus in connection with the midyear meeting of National Assn. of Life Underwriters in the Neil House there have been announced by Emmett W. Millholland, Ohio National Life, general chairman.

Stanley Collins, debit agent for Metropolitan at Buffalo and vice-president of NALU, will speak on "Enduring Success"; Jack Nussbaum, Massachusetts Mutual, Milwaukee, secretary of NALU, will talk on "Business Life Insurance—Keep It Simple," and Grant Taggart, California-Western States Life, Cowley, Wyo., a past-president of NALU, will discuss "Organizing for Work". Luncheon speaker will be Lester O. Schriver, managing director of NALU.

The mid-year meeting starts March 21 with an all day session of General Agents & Managers Conference. The following day LUTC will hold a luncheon meeting and its program will feature a panel discussion on "Training for Today's Life Underwriter." Participants include George Neitlich, manager of Metropolitan at Boston; Vernon White, Northwestern Mutual, Albuquerque, and Charles N. Barton, Union Central manager at New York City. Howard Krick, Penn Mutual, New Haven, Conn., will act as chairman.

The agent's forum will be held Tuesday evening. This is a feature that has become extremely popular the last couple of years.

The National Council will be in session all day Wednesday. That evening will be open for company and agency gatherings and dinner parties.

Prudential Sales Top $5 Billion in 1954 for Second Year

NEWARK—Total life insurance in force of Prudential at the year-end was a record $46,142,000,000, a gain of $2,957,000,000.

Life sales totaled $5,220,000,000, or $264 million under the record set in 1953 but more than $1 billion ahead of of 1950, next best year.

Regular ordinary in force at the end of 1954 was $19,974,000,000, increase $1,744,000,000. Weekly debit was $7,931,000,000, down $139 million; and monthly debit was $7,807,000,000, up $383 million. Group in force totaled $10,430,000,000, increase $969 million.

Sales of regular ordinary of $2,857,000,000 were $170 million up from 1953. Weekly debit sales of $391 million, monthly debit of $802 million and group of $1,170,000,000 were below 1953.

Payments to policyholders and beneficiaries totaled $918 million, compared to $816 million.

Assets totaled $11,737,000,000, increase $793 million. Mortgage loan and real estate investments reached $5,086,000,000, which represented 43.2% of assets. Mortgage loan authorizations set a record of $1,422,000,000, increase $535 million.

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Government bond holdings decreased $50 million to 9.7% of assets. Other bonds increased $250 million to 34.7% of assets. The common stock portfolio increased to $173 million or 1.5% of assets. Preferred stocks were $149 million, decrease of $43 million, or 1.2% of assets.

The rate of investment earnings before taxes was 3.58%, compared to 3.50%. After taxes, the rate was 3.36%, as against 3.28%. The 1954 rate earned before taxes was highest since 1937 and, after taxes, highest since 1940.

A full scale entry was made into S&A when the entire sales staff became eligible after training to sell it for the first time. There were 175,000 of these policies paid for, representing about $15.5 million in annual premiums and making Prudential a major producer of individual S&A in the non-cancellable and guaranteed renewable field.

Mortality experience was favorable. The rate of lapses and surrenders rose somewhat.

In spite of lower interest rates in general, interest earnings continued upward. Higher operating expenses and taxes caused concern.

Regional home offices in Los Angeles, Toronto and Houston demonstrated advantages of decentralization, as reflected in cost ratios, larger sales volume and effective investment and insurance service on an area basis. New buildings in Chicago, Minneapolis and Jacksonville, Fla., are on schedule.

Mo. Life Agents Bill Advancing

The life agents qualification bill in Missouri has been voted out of committee and now goes to the floor of the house for vote. This is further than any previous bill of this kind has progressed.

De Witt Travelers Chief Executive as Cole Retires

Chairman Since 1937 Will Continue on Board, Many Promotions Are Announced

HARTFORD—Francis W. Cole, chairman of Travelers since 1945, has retired.

At the annual meeting at which Mr. Cole announced his retirement the board consolidated the functions of chairman and president and made President J. Doyle DeWitt the chief executive officer of all companies in the Travelers group.

Mr. Cole, who will be 73 June 11, joined the Travelers executive staff in 1937 as general counsel, after having been elected to the board earlier in the year. He had been a partner in the Hartford law firm of Robinson, Robinson & Cole. He was advanced to vice-president and general counsel in 1941 and became chairman of all the Travelers companies in 1945, when Jesse Randall was named president. He graduated from Yale in 1904 and from Harvard law school in 1907, going in that year with Robinson & Robinson in Hartford. He became a partner in 1912.

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Mr. Cole is a director of Hartford National Bank & Trust Co., Chase National Bank of New York, United Aircraft, Standard Screw Co., Hartford Hospital, and the Hartford Institute of Living. He is a trustee of the Society for Savings in Hartford. He has served the city as park commissioner, councilman, alderman, police commissioner, flood commissioner, and twice as corporation counsel. He has been closely associated with the Travelers companies' financial affairs.

Gladden W. Baker, vice-president, treasurer and a director, was elected chairman of the board's financial committee. Millard Bartels, vice-president and general counsel, was elected chairman of the insurance executive committee of the board.

The following promotions were

(CONTINUED ON PAGE 22)

Fischer Renamed Iowa Commissioner

DES MOINES—Gov. Hoegh reappointed Charles R. Fischer to his fourth four-year term as Iowa commissioner.

There had been some speculation whether Mr. Fischer would be reappointed. The governor had indicated he planned to name new personnel in most key positions. By renaming Mr. Fischer, however, the governor indicated he has high regard for the present commissioner.

Mr. Fischer was first named commissioner in 1939 and served two four-year terms until replaced by Sterling Alexander in 1947. He was renamed in 1951 and is now completing this term.

Cal-Western Shows Giant Gains for '54

Insurance in force of California-Western States Life increased $222,200,000 in 1954 to a new high of $1,143,000,000 at year end. New sales amounted to $237,700,000, and assets rose to $159,600,000, a gain of 8.5%. Capital, surplus and special surplus funds rose nearly $3 million to a total of $19,500,000.

Benefit payments of $20,600,000 represented a gain of more than $2 million. Premiums on group life in force at year end amounted to $19,600,000, a gain of more than $2,250,000.

Robert E. Murphy, president, said the recent purchase of 28,286 shares of Cal-Western stock by Blyth & Co. from Western & Southern Life and subsequent resale to individuals, institutions and investment trusts, "should remove forever the threat of an unwelcome outside organization gaining control of the firm."

St. Louis Set for Annual Life Seminar

ST. LOUIS—The second annual life insurance seminar of the University College of Washington University and Life Underwriters Assn. of St. Louis will be conducted March 17 at Rebstock Hall, Washington University. The theme of the seminar will be: "Sales and Service Opportunities Under the 1954 Tax Law," and the discussion will be presented by Harry S. Redeker, general counsel, Fidelity Mutual Life.

Starting at 1:30 p.m., Mr. Redeker will divide his presentation into two parts—the 1954 tax law changes as they affect life insurance, with time allotted for questions from the floor, and tax law changes that affect business insurance.

LIAMA Completes Card for Chicago A&H Parley

Rex H. Anderson, director of A&S sales of New York Life, will conduct a hot idea forum to start the final session of the A&H spring meeting of LIAMA in Chicago Mar. 17. A panel of A&H men will sit in judgment on the ideas submitted. Harry J. Shaffer, agency vice-president of Acacia Mutual and chairman of LIAMA's A&H committee, will report on the committee's activities.

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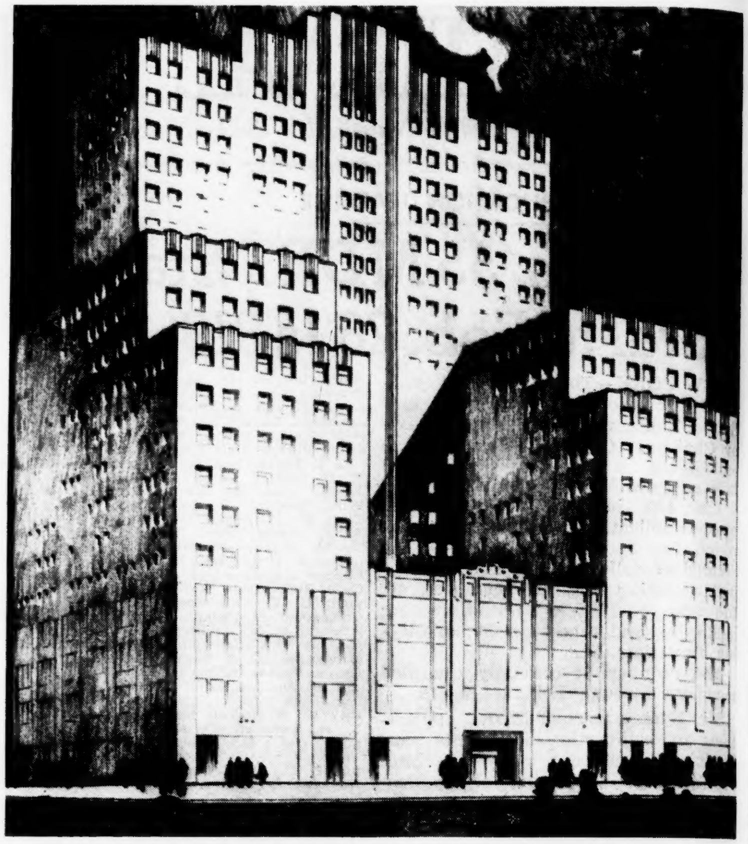
Powell B. McHaney, president of General American, will deliver the closing address, giving an over-all picture of progress in A&H and charting a course for its future. This will conclude the meeting which opens Mar. 15.

Beginning Mar. 14, the LIAMA's agency management conference will be in session. It will close Wednesday noon with an address by Charles J. Zimmerman, managing director of LIAMA. Kenneth D. Hamer, vice-president and agency director of Pan-American Life, is chairman of the committee.

Southwestern, Dallas, to Enter 4 More States

Southwestern Life of Dallas, with more than a billion dollars of insurance in force, the largest life company operating in a single state, has applied for licenses in Oklahoma, New Mexico, Arkansas and Louisiana.



Above is an architect's rendering of the new 21-story Martin Brown building which Commonwealth Life has contracted to buy for its home office. Louisville's tallest, the building is located at the corner of Fourth and Broadway in the heart of the downtown district. Originally a four-story building, a 17-story addition now is in process of completion. The building will have 270,000 square feet of office space, about one-third of which will initially be occupied by Commonwealth. Present plans call for Commonwealth's home office staff to move into the new building early in the fall.

The last word in classical office building construction, the new home office will have every modern convenience including electronically-controlled, operatorless elevators.

FTC's Moves Against A&H Jeopardize State Rule, Donovan Says

FTC proceedings against A&H have jeopardized the future of state regulation of the insurance industry, James B. Donovan of Watters & Donovan, New York and Washington, told A&H club of New York.

If state regulation is to receive a fair trial, said Mr. Donovan, it must be attempted without continual interference by federal authorities such as FTC, which lacks specialized knowledge of insurance problems. FTC should refer complaints to state insurance departments.

With minor exceptions, no federal agency may act on an insurance matter until it is determined that no regulation by state law exists. As policy federal agencies should not act on an insurance problem until National Assn. of Insurance Commissioners reviews it and admits it lies beyond their regulatory powers. There can be few such admissions, he added.

Plans Split, Public Offering

Beneficial Standard Life stockholders have arranged with Lehman Brothers, New York City investment bankers, for the firm to purchase 48% of the company's stock. After a 10 for 1 split in shares, increasing the acquired interest to 480,000 shares, a nationwide syndicate will reoffer the shares to the public at $25 per share. The proposed public share offering has been registered with Securities & Exchange Commission.

Lauds Meshing Basic, Major Medical With Budgetable Deductible

Integration of basic and major medical coverage with the accent on a low budgetable deductible may give new direction to health care insurance, according to John P. Hanna, managing director of H&A Underwriters Conference.

Writing in the current issue of *American Economic Security,* published by U. S. Chamber of Commerce, Mr. Hanna said such integration may be the most significant development since the introduction of major medical itself. People want a reliable forecast of the out-of-pocket expense. They also want one policy for all health contingencies, a policy that will not go out of date quickly.

"Major medical expense insurance as it stands today is partially or completely meeting many of these aspirations," Mr. Hanna avers. He sees the future as being strongly influenced by two factors: Continued success of the major medical principle and extension and integration of concepts such as budgeting. He added that insurers must have the cooperation of providers of health care, labor, management and government.

Set ALC Medical Section Dates

The medical section of American Life Convention will hold its annual meeting June 27-29 at the Homestead, Hot Springs, Va.

J. D. MARSH AT SARATOGA MEETING:

Mutual Funds No Threat to Life Insurance; Agents Should Stop Worrying and Sell

Mutual funds have their place in the financial economy and they are not a serious threat to the livelihood of the agent, the general agent or to the life business generally, John D. Marsh, general agent of Lincoln National at Washington, D. C., and head of his own estate planning organization, told general agents and managers at the Saratoga meeting of New York State Assn. of Life Underwriters.

John D. Marsh

General agents must recognize their competition, he said. It really isn't equity investments, such as mutual funds. Less than 1½% of the nation's disposable personal income goes into all types of corporate securities, he said; 4.7% goes into state and municipal bonds, savings banks, saving and loan associations and industry employe benefit plans; 3.7% went into life insurance in 1954.

Social security and other government insurance and pension plans are competition, whether agents acknowledge it or not, said Mr. Marsh. Such plans can only be minimized by emphasizing conservatism with policyholders, pounding the idea of doing for oneself and helping to elect people with the same convictions.

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The real competition for agents is the automobile, home conveniences, television, vacations. The people selling these items are real merchandisers, and people like what they offer.

Agents must train and educate themselves to make their services indispensable, not just to give service, but to sell service. They must persuade their companies to help them compete with the real competitors.

The competition is not other life agents or companies.

Everyone has gone net-cost crazy again, Mr. Marsh said. The special policy may have a zero net cost, but if the client would rather buy a second family automobile, the net cost won't change his mind. Agents must get back to selling the functions and services of life insurance and not its cost.

They must persuade their companies to reexamine and investigate the single premium deferred annuities with maximum cash values, which mature at the option of the owner; the annual premium deferred annuity with waiver and disability income benefits; and lower charges for other than annual premiums in investment-type contracts; 16% is too high, he commented. Why can't the dollar charge be the same as that levied against an ordinary life policy?

Mr. Marsh also suggested companies reexamine or investigate future premium deposit funds, the possibility of paying death claims on investment-type contracts on an ordinary life basis and return the difference in reserves. He wondered why they don't study calculating premiums for investment type contracts on a monthly basis, investigate the variable annuity idea—perhaps through a separate companion company; consider higher commissions on investment-type contracts and a full commission on low cost specials, even if the cost is thereby raised.

Mr. Marsh suggested companies study special training systems for investment contract selling, conversion from lower to higher premium contracts on a more favorable basis, ways of capturing a larger share of the straight investment and savings market, and investigate sales methods used by investment companies to sell securities.

The American public is sold on the institution of life insurance, he said, so why can't agents capitalize on this confidence by expanding their services in the investment field? Certainly insurance can compete with building and loan, savings banks and other non-equity media. The public is willing to pay for service, as is evidenced by the 8% load on mutual funds and the 6% commission on small odd-lot stock purchases.

The public wasn't disturbed by the price of insurance, but life salesmen seem to be using the low cost idea as a self-stimulant, like a drunk trying to escape from reality.

The public will pay more for insurance if there is something to get in exchange. Many estate planners today give service entirely out of proportion to the commission schedule. Mr. Marsh's agents have no trouble getting a $100 fee, plus commissions on

(CONTINUED ON PAGE 23)

Life of Va. Breaks Record in in-Force

Insurance in force of Life of Virginia at year end was $1,751,871,436 compared with $1,586,297,064 in 1953. Including $56,076,300 of reinsurance of U. S. government employes group insurance, sales of life insurance and the increase of in force exceeded every previous year by a wide margin.

Increase in assets, which stood at $347,756,288, compared with $323,387,678, was also the largest to date.

Sales of new insurance were $298,388,749, up $56,443,108. These included $141,498,312 ordinary, $89,375,637 industrial, and $67,514,800 group, including the federal employes group.

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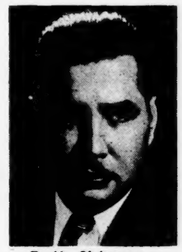
Premium income was $49,153,011, compared with $46,179,288. Total income was $61,900,231, compared with $57,819,727. Benefit payments totaled $41,394,377, increase $2,294,154. The average return on investments made during the year before deduction of expenses and federal income tax was 3.95%, compared with 4.11%. After federal income taxes and expenses, the net rate of return on all investments was 3.37%, compared with 3.23%. Surplus and contingency reserves were $22,890,802, compared with $20,752,558. Dividends to stockholders amounted to $1,440,000 compared with $1,320,000.

No. American Sets Record

For the fourth consecutive month, North American Life of Chicago in February reported new life sales in excess of $4 million. This record does not include credit for group or A. & H.

Olnhausen Made Great Southern V-P, Others Raised

Great Southern Life has made several home office promotions. F. V. Olnhausen was named vice-president and manager of agencies. He started with the company as a salesman in 1946, going to the home office as agency assistant four years later. He was appointed manager of agencies in 1953.



F. V. Olnhausen

Sam R. Hay, new assistant vice-president and assistant manager of agencies, joined Great Southern in 1932 as agency secretary. More recently he has been director of training. He is a C.L.U.

E. Marcus House was promoted from assistant actuary to assistant secretary. He has been with the company 16 years.

J. H. Booksh was promoted from assistant manager to manager, tabulating department. A. H. Chedester, formerly manager of the tabulating department, has been transferred to records. Mr. Chedester began as cashier at Fort Worth, later going to the home office as chief correspondent for the Southern Union division when that company was purchased by Great Southern.

Leon L. Leshikar was named assistant agency cashier. With Great Southern more than 30 years, he started as a bookkeeper.

Earl Tully was named a member of the underwriting committee in the medical department. He has been with the company 20 years and for the past six years has been assistant agency cashier.

Barry, Sammons in Top Reserve, Tex., Changes

E. H. Barry has been advanced from executive vice-president and secretary to president of Reserve Life of Dallas succeeding C. A. Sammons who becomes chairman. C. E. Rice, administrative assistant, was named secretary and treasurer.

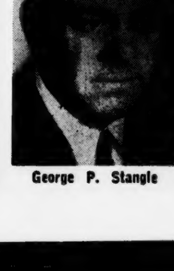
Mr. Barry was one of the incorporators of Reserve Life in 1937 along with Mr. Sammons. Mr. Rice joined the company in 1949.

New Life Company Is Planned in South

ATLANTA—Bankers Securities Corp. has just been formed here, to raise money for a new Atlanta life company. Head of the corporation is Roy E. Smith, who until recently was promotional representative for Life of Alabama. He said plans call for raising $500,000 through the sale of stock and to form the company with at least $400,000 in capital and surplus. The new company's name has not yet been selected.

Stangle Joins Manhattan

George P. Stangle has been named general agent at Hartford by Manhattan Life. His offices will be 125 Trumbull street. Recently he has been Albany general agent of Aetna Life. He started his career in 1934 with Aetna Life at Chicago.



George P. Stangle

Educational Facilities Neglect Needs of New Agents, Hadley Avers

"The trouble with life insurance educational facilities is that the average agent doesn't stay in the business long enough to be able to take advantage of them," declared Ben F. Hadley, vice-president and agency director of Columbus Mutual, at a meeting of Indianapolis General Agents & Managers Assn.

Statistics show, according to Mr. Hadley, that only one agent out of three survives the first two years in the business and almost half fail in the first year. "Thus, statistically, the average agent is not in the business long enough to get the advantage of the fine educational material to be found in LUTC, CLU, and other such agent-training programs," he averred.

Mr. Hadley charged that one of the mistakes of the business is to neglect the "kindergarten" aspects of training new men. "We're playing it too smart," he warned. "We love to play around with advanced underwriting aspects of the business, neglecting to give new men the kindergarten essentials. With 80% of new men failing in four years, can we say our training systems for the average agent should be much above kindergarten level?" he asked.

"One of the reasons we neglect the kindergarten-level training is that it is hard work for the manager," Mr. Hadley said. "It's hard to decide, as you must at that level, exactly what you want an agent to do and to tell him how to do it. It's much easier to give him a book to read."

Basic training for the average agent should be training in standardized procedures and their use, Mr. Hadley contended. "The excuse that 'every man is different' is no reason for standardized procedures are taught the young surgeon even though every surgeon is a different personality. Further, every surgeon uses standardized tools in his operations. What we need to do in this business is decide what we want agents to do; tell them, step by step, how they should do it; and provide them with standardized tools for doing it."

Expect Compromises on Tex. Insurance Bills

AUSTIN—Gov. Shivers and Lt. Gov. Ramsey have put pressure on the Texas legislature to enact some remedial insurance legislation. The governor has repeated his call for action, and Mr. Ramsey has criticized those who he claims are trying to "delay, divide and ultimately block" new laws. He termed these people "jackals of the insurance industry."

There are nearly 100 insurance measures on the calendars or in committee, but compromises seem to be in the making on two key measures, one involving capital and surplus for new companies, and one on regulation of insurance securities.

It appears there will be increases in requirements for capital and surplus of new companies and there will be state regulation of insurance stocks, but in neither case will the new laws approach the drastic measures submitted earlier in the session.

Tenn. Budget Increase

The Tennessee insurance and banking department's operating funds for the next two years will total $700,000, an increase of $10,000 over the current biennium.

FTC Releases Professional Ins. Co. Answer

WASHINGTON—Federal trade commission has released a summary of the answer filed by Professional Ins. Corp. of Jacksonville, Fla., to FTC complaints on its A&H advertising. Professional denies its advertising is false or misleading, challenges the FTC's jurisdiction, denies that it does more than a "wholly inconsequential" renewal business in states where it is not licensed, says it makes no sales by mail but advertises only to get leads for agents, who explain the policy fully before a prospect would be "permitted to become a policyholder." Professional charges that advertising cited by the FTC was taken out of context and the meaning thus distorted, also that FTC seeks to read into the quoted advertising "strained and unrealistic meanings." The company asks that if its motion to dismiss the complaint for lack of jurisdiction is not granted it be privileged to appeal the question to the circuit court of the case. It also requested a 30 to 60 day extension in which to present evidence.

Defer Action on Ark. 'Retaliatory Power' Bill

LITTLE ROCK—The senate insurance committee, following a public hearing, voted to defer action on a controversial bill which would confer discretionary "retaliatory powers" upon the Arkansas commissioner. It would permit him, under certain conditions, to cancel or suspend the license of out of state life companies whose home states refuse admission to Arkansas insurers when, in the opinion of the Arkansas commissioner, such Arkansas life companies are "solvent, properly managed, and can legally operate" under the laws of such other states. The bill is modelled after a similar provision in the Illinois law.

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When interviewed as to his position on the bill, Commissioner G. Combs stated he had taken absolutely no position one way or another on the measure although he had been erroneously quoted in some quarters as being "for" it.

Other legislative developments in the life field last week included introduction of a bill in the house to regulate the sale of tontine or semi-tontine life contracts. The measure is reported as being the one recommended by National Assn. of Life Underwriters in its campaign against tontine-type policies.

Penn Mutual Fetes Curry Agency for Top Production

The Forrest J. Curry agency of Penn Mutual Life at San Francisco was honored at a banquet there by the company for its outstanding production record. Approximately 250 agents, friends and policyholders attended. John M. Huebner, vice-president, and other executives from the home office acted as hosts and paid tribute to the agency which consistently has advanced as one of the great producers in the country.

During January of this year agency production exceeded $6 million and production currently is at a rate of $50 million a year. Karl Bach, the company's leading producer, wrote more than $1 million of new business in January. In addition 23 agents produced $100,000 or more.

Shows 42% February Gain

February sales of Guarantee Mutual Life were 42% greater than those for the same month a year ago. There was a 30% increase in January.

Joseph Novara, Detroit, was the leading agent during the month. The Novara agency in Detroit was tops among agencies.

The president's anniversary campaign, honoring Ralph E. Kiplinger, is being held in March.

Pru Promotes J. E. Crozier

John E. Crozier has been named head of the Holyoke, Mass., district of Prudential He succeeds John T. Cavanaugh, recently promoted to associate director of New England district agencies.

Mr. Crozier joined the company at Bethlehem, Pa. in 1945. In 1951 he transferred to the Pottsville district where he became a staff manager.

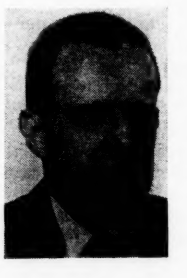
Details Given for New Life Co. in Indiana

Details of a new life company in Indiana have been made public. It will be known as American Travelers Life and be formed, it is understood, from an old legislative charter mutual of the same name. Plans call for capital and surplus of more than $2 million and it will write life, A&H, and hospitalization.

President of the company will be Robert Stith, president of Wake-Up Oil Co.; vice-president, John K. Ruckelshaus, attorney; secretary, Bert F. Donovan, president of Hoosier Cadillac auto agency; and treasurer, Elmer W. Sherwood, public relations counsel and prominent Indiana political figure.

Prior to the passage of the Indiana insurance code and establishment of the insurance department, insurance companies were chartered by special act of the state general assembly. These charters, some issued for 99 years and some in perpetuity, have been used for the formation of a number of companies in the state, some charters having been the basis of several companies at different times since their issue as much as 100 years ago. Some have been used for the establishment of assessment companies; however, American Travelers plans to operate on a full legal reserve basis, and its capitalization will be quite substantially above the minimum, required by Indiana law.

Opens Denver Office



T. L. Cheetham

State Mutual Life has opened a group office in Denver to serve Colorado, Wyoming, Utah, Arizona and New Mexico. Thomas L. Cheetham, who has been at Cincinnati for the company, has been named home office group representative in charge of the office.

The company has also assigned Donald L. Milburn to Atlanta.

Seek Conn. Tax Cut

Spokesmen for Connecticut General Life, Travelers and Aetna Life addressed the general assembly's insurance committee in support of reduction and eventual elimination of the state tax on net premiums and annuity considerations of domestic insurers. A bill passed two years ago scaled the tax down to 1%. The new proposal would reduce it to one-half and later one-quarter of 1%. Connecticut General and Aetna Life paid about 84% of the total $230,679 tax in 1954.

Monumental Club to Meet

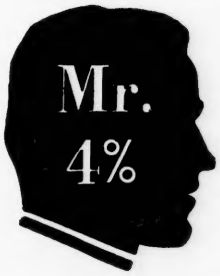
The President's Club of Monumental Life, organized last July, will meet at Miami Beach April 27-30.

Special plaques will go to 111 agents, 44 staff managers, and 14 managers who became charter members of the club during the initial six-month qualifying period.

JEFFERSON STANDARD'S

"Man of the Year"

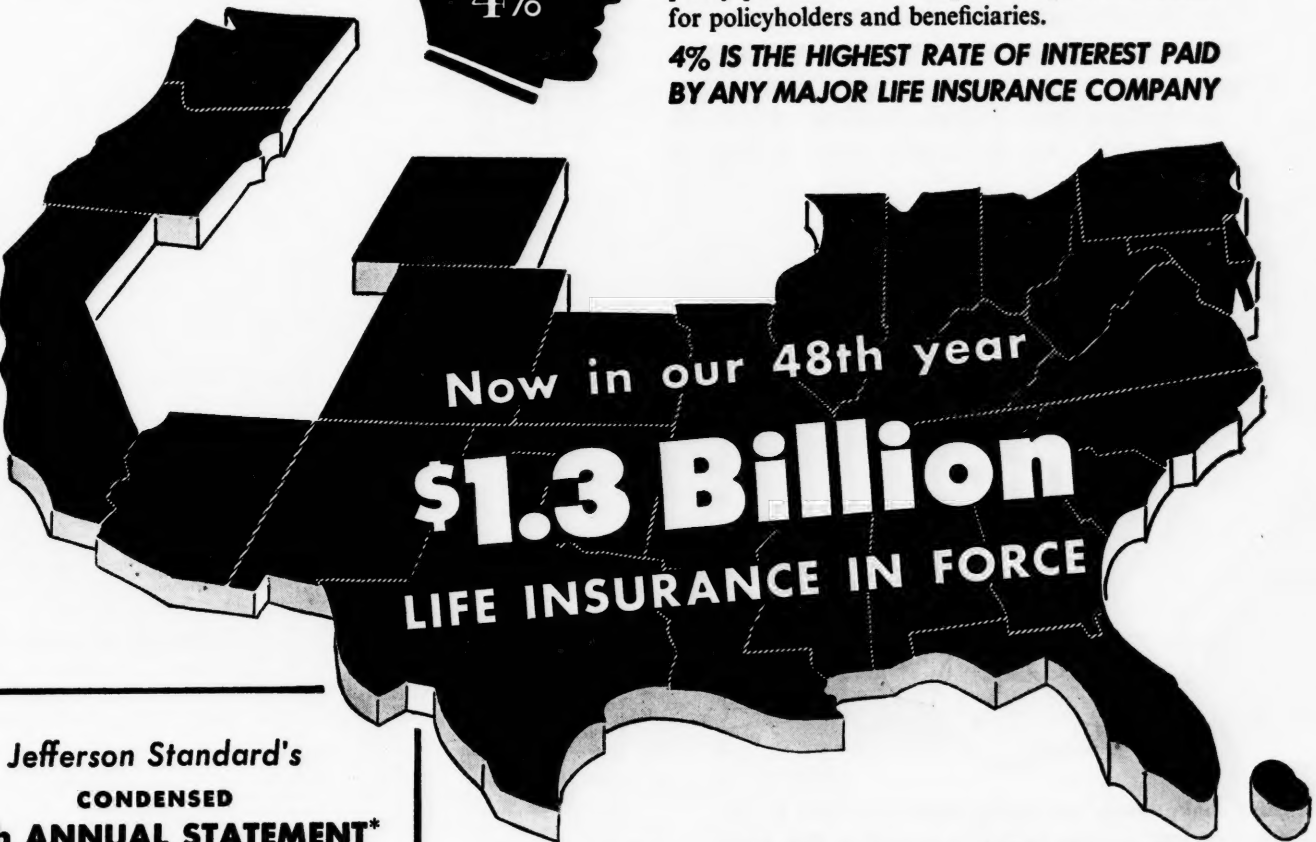
Reports to more than 375,000 policyholders from Coast-to-Coast



Mr. 4% Represents Jefferson Standard

Jefferson Standard, now guaranteeing 2½% on policies currently issued, has never paid less than 4% on policy proceeds left on deposit to provide income for policyholders and beneficiaries.

4% IS THE HIGHEST RATE OF INTEREST PAID BY ANY MAJOR LIFE INSURANCE COMPANY



Jefferson Standard's

CONDENSED

48th ANNUAL STATEMENT*

December 31, 1954

ASSETS	
Cash	$ 6,016,849
Bonds	115,061,554
Stocks, Preferred & Common	39,383,112
Mortgage Loans	167,179,152
Lease Back Real Estate	20,030,424
Other Real Estate including Home Office Building	6,163,655
Loans to Policyholders	25,840,656
All Other Assets	12,325,617
TOTAL ASSETS	$392,001,019
LIABILITIES	
Policy Reserves	$271,630,199
Reserve for Policy Claims	882,235
Policy Proceeds Left with Company	35,578,775
Dividends for Policyholders	3,906,581
Policy Revaluation and Mortality Fluctuation Reserve	6,249,391
Investment Fluctuation Fund	14,064,553
Other Liabilities and Reserves	8,689,285
TOTAL LIABILITIES	$341,001,019
Contingency Reserve	5,000,000
Capital and Surplus	46,000,000
TOTAL	$392,001,019

*Copy of booklet containing complete report of our Company available on request.

"Man of the Year"

Mr. 4% is the trade name for more than 1,250 highly trained and skilled Jefferson Standard representatives who produced $165,985,224 in new life insurance sales in 1954. Topping the $150,000,000 mark in sales for the third consecutive year, Jefferson Standard agents now serve over 375,000 policyholders, continually adding to the growth and progress of the company.

MILESTONES OF PROGRESS

INCREASED 144% . . . Life insurance in force reached $1,324,440,513 in 1954 — an increase of 144% in the past ten years.

INCREASED 174% . . . Assets of the company now total $392,001,019 — an increase of 174% since 1944.

INCREASED 171% . . . Policyholders and beneficiaries received $17,278,425 in 1954 — an increase of 171% over 1944 and making the total payments of $259,495,937 since organization in 1907.

Jefferson Standard

LIFE INSURANCE COMPANY Home Office: Greensboro, N.C.

Okla. Bill Makes All A&H Coverage Non-Can.

OKLAHOMA CITY—The Oklahoma house insurance committee has reported "do pass" a bill which in substance makes all A&H insurance non-cancellable. At a hearing last month, the insurance people had argued against the bill, maintaining among other things, that only one in 900 A&H policies is cancelled.

Sets Single Day Sales High

Continental Assurance, with ordinary sales of $4,295,766, Feb. 28 had its largest single day's production. February ordinary business of $31,190,603 also was a record for the month and a gain of 21% over the previous February. The figure is just short of January, 1955, the biggest month in company history.

Production for the first two months of the year was $65,718,007. For the past four months production is up $22 million over the corresponding period a year ago, an increase of 21%.

Boston Mutual Life Moves Office

The home office of Boston Mutual Life now is located in the Boston Mutual building at 156 Stuart street.

N.Y. '54 Sales, In-Force Listed

All figures are ordinary unless designated G for group or I for industrial. New business figures include revivals and increases as well as new business paid-for.

	New Business $	In Force $
Aetna Life	40,658,738	382,187,248
(G)	309,038,827	994,677,407
Amalgamated	68,000	275,000
(G)	—	148,987,500
Bankers, Ia.	5,182,987	62,039,741
(G)	32,178,017	123,657,075
Bankers Security	7,256,470	6,818,543
(G)	82,393,063	75,208,636
Berkshire	17,313,331	171,553,889
Canada US. Br.	9,152,395	53,602,785
(G)	589,000	1,049,500
Church	**	**
Colonial	9,791,021	59,623,172
(G)	4,471,251	5,355,000
(I)	2,583,203	27,751,535
Columbian Mutual	4,933,776	11,767,933
(G)	213,000	213,000
(I)	12,784,117	57,561,886
Columbian Natl.	18,505,137	107,654,540
(G)	6,292,000	22,471,750
(I)	—	498
Companion	9,403,080	32,723,432
(G)	27,209,341	66,155,900
Confed., US. Br.	1,108,462	5,658,198
Conn. General	58,593,126	449,655,499
(G)	55,419,205	673,593,965
Conn. Mutual	47,105,415	432,699,164
Continental Amer.	17,127,546	117,426,770
Cont'l Assurance	68,536,659	267,654,233
(G)	83,314,440	190,509,513
Credit	1,293,101	1,141,119
(G)	3,181,104	2,692,836
Eastern	7,383,842	53,441,721
(G)	3,970,694	6,129,622
Empire State	6,402,728	33,704,653
(G)	410,000	850,500
(I)	—	1,684,883
Equitable Society	174,321,533	1,975,342,742
(G)	170,123,352	1,788,681,107
Equitable, Ia.	6,669,924	60,148,360
Expressmen's	480,019	8,463,600
Farm Bureau	22,328,105	81,510,349
(G)	4,552,181	9,237,334
Farm Family	12,312,452	12,302,452
Farm. & Traders	4,175,546	57,911,804
Fed. L. & C.	3,220,694	14,378,586
(G)	402,443	402,443
Fidelity Mutual	9,586,248	101,770,926
Guardian	45,177,832	433,032,337
(G)	1,999,000	4,851,820
Home, N. Y.	28,442,862	281,791,517
(G)	33,212,985	55,703,723
Imperial, US. Br.	164,989	3,422,406
John Hancock	229,073,232	1,908,571,592
(G)	71,894,736	451,754,542
(I)	71,460,785	635,156,782
Loyal Protective	274,835	1,321,078
(G)	207,875	207,875
Lutheran Mutual	1,042,544	6,484,357
Manhattan	25,664,802	195,600,939
(G)	16,453,715	41,651,815
Mass. Mutual	71,314,848	601,588,666
(G)	22,216,595	127,739,092
Metropolitan	520,710,030	5,409,163,161
(G)	328,356,640	3,314,784,211
(I)	90,712,517	1,503,827,805
Monarch, Mass.	8,475,049	35,500,498
(G)	358,668	1,082,368
Mutual Benefit Life	53,352,540	600,329,255
Mutual of N. Y.	50,467,675	724,888,057
(G)	11,292,836	37,271,793
Mut. Can. US. Br.	125,728	3,037,227
Mutual Trust	16,245,02	101,261,728
National, Vt.	27,784,350	233,819,811
New England Mut.	75,326,521	638,404,447
(G)	12,318,673	18,059,844
New York Life	194,550,661	1,943,974,671
(G)	98,108,786	250,999,696
No. Amer. Re.	25,337,400	104,458,600
(G)	520,500	515,500
Northeastern	735,000	830,500
Northwestern Mut.	43,214,042	776,924,251
Old Rep. Credit	40,145,030	24,827,984
Patriot	12,000	12,000
(G)	60,036,893	53,389,823
Paul Revere	3,574,076	22,785,351
(G)	10,430,790	15,532,720
Penn. Mutual	47,533,608	439,567,583
Phoenix Mutual	33,279,290	283,699,413
Postal	23,524,832	84,831,999
(G)	4,706,520	5,702,150
Prov. Life & Cas.	32,500	64,500
(G)	2,213,350	23,503,350
Provident Mut.	26,375,956	240,480,435
(G)	110,914	110,743
Prudential	644,092,762	5,101,808,614
(G)	234,365,155	1,816,041,422
(I)	87,931,226	1,361,217,774
Security Mut., N. Y.	32,127,461	192,866,696
(G)	39,622,700	93,523,500
State Mutual	28,166,571	255,655,719
(G)	51,982,433	166,795,296
Teachers	5,691,565	33,090,845
Travelers	90,511,560	1,098,891,540
(G)	232,388,500	2,236,138,134
Union Cas. & Life	13,640,751	25,836,504
(G)	26,090,519	93,562,859
Union Central	22,807,493	264,012,871
(G)	32,237,221	62,950,220
Union Labor	1,226,007	11,972,328
(G)	24,349,464	140,230,358
Union Mutual	8,256,055	80,691,294
(G)	5,514,500	9,156,170
United Mutual	3,905,385	15,433,060
(I)	3,083,427	11,347,557
U. S. Life	41,676,621	154,731,875
(G)	61,043,947	177,400,297
Victory Mutual	**	**
Zurich	11,000	25,500
(G)	2,041,100	5,246,500
Total Ord., '54	3,030,326,219	26,897,147,668
Total Group, '54	2,167,832,884	13,313,778,909
Total Indust., '54	268,555,275	3,598,548,720
All Classes, '54	5,466,714,378	43,809,475,297
Total Ord., '53	2,787,983,286	25,365,665,375
Total Group, '53	2,036,533,029	11,753,089,501
Total Indust., '53	308,341,009	3,643,497,864
All Classes, '53	5,132,857,324	40,762,252,740

**Statement not filed by Mar. 4

Actuary Becomes Agent

Edward A. Flickner Jr. is resigning as an assistant actuary for Northwestern Mutual Life to head the company's Lima, O., district agency.

Mr. Flickner's insurance experience has been entirely on the actuarial side. He served with another company in the east before going with Northwestern Mutual in 1952.

spOtlight

ON A FAST-GROWING REGION

FINANCIAL STATEMENT AS OF DEC. 31, 1954

Assets	PER CENT	AMOUNT
U.S. Government Securities	8.68	$ 9,526,530.33
State, County and Municipal Bonds	11.29	12,390,331.86
Railroad Bonds	1.28	1,402,741.28
Public Utility Bonds	19.64	21,563,417.90
Industrial and Miscellaneous Bonds	4.52	4,961,789.14
Stocks	2.80	3,071,115.00
Mortgages (First Liens)	42.49	46,641,602.80
Real Estate:		
Offices (Including Branches)	2.98	3,271,509.20
Investment	1.41	1,542,311.11
Policy Loans	.98	1,081,614.83
Cash	1.45	1,593,851.68
Interest and Rents Due and Accrued	.56	618,919.62
Premiums in Course of Collection (Net)	1.92	2,103,194.60
Miscellaneous Assets	.00	2,676.00
Total Assets	100.00	$109,771,605.35

Liabilities & Surplus	
Policy Reserves	$ 85,165,460.88
Claims in Process of Settlement	349,550.83
Reserve for Unreported Claims	208,434.47
Premiums and Interest Paid in Advance	1,006,453.36
Estimated Amount Due and Accrued for Taxes	908,372.28
Reserve for Pension Plan	6,812,117.15
Agents' Bonds: Reserve and Interest	542,622.50
Security Valuation Reserve	580,309.93
Miscellaneous Liabilities	755,528.09
Total Liabilities Except Capital	$ 96,328,849.49
Capital	$ 7,000,000.00
Unassigned Surplus Funds	6,442,755.86
Capital and Surplus	$ 13,442,755.86
Total	$109,771,605.35

Across the nation headlines tell of the swift and steady economic growth throughout the South. To keep pace with the life insurance needs of this rapidly growing area, Life Insurance Company of Georgia is constantly expanding the scope of its insurance plans and of its service to policyholders.

HIGHLIGHTS

Life Insurance in Force	$1,140,434,544
Gain of $79,744,977 in one year	
Assets	$ 109,771,605
Increase of $15,566,393 over 1953	
Paid Policyholders & beneficiaries	$ 11,050,384
Liabilities	$ 96,328,849
Liabilities include policy reserves	
Surplus Funds and Capital	$ 13,442,756

LIFE Insurance Company of GEORGIA

INSURES THE SOUTH • SINCE 1891

HOME OFFICE ATLANTA

MORE THAN A BILLION DOLLARS OF LIFE INSURANCE IN FORCE

U. S. Life in '54 Breaks All-Time Records

U. S. Life made all-time record gains in all phases of its 1954 operations. In force now totals $694,881,244, a net gain of $193,437,564, a gain of 38%, largest ever achieved in a single year.

Breakdown of increases shows $77,326,280 new ordinary production, $163,491,973 new group production, a gain of 78% over the previous year. Total ordinary in force was $354,318,162 and total group was $340,563,082. Individual A&H premiums of $1,712,641 represented a gain of 36% for the year, with first year A&H premiums more than 100% ahead of 1953. Assets climbed 11% to an all-time high of $69,562,770, and a gain of $974,374 boosted capital and surplus to a new level of $5,390,342.

Life of Georgia Has Substantial Gains

Life of Georgia pushed in-force to $1,140,434,544 in 1954, a gain of $79,744,977, and at the same time raised assets 16.52% to $109,771,605.

Payments to policyholders and beneficiaries were $11,050,384, up $508,920. Policy reserves were increased by $12,510,748 to $85,165,461. With capital funds at $7 million, unassigned surplus was raised by $1,007,880 to total $13,442,756.

Net investment income of $3,337,266 showed a 3.39% return on mean assets, an eight-point advance over 1953.

Southland Life's 1954 Sales Show 51.4% Gain

Southland Life's new paid business in 1954 amounted to $206,702,366, an increase of 51.4% over 1953, bringing insurance in force near the billion dollar mark.

The new business figure includes the company's share of the government employe group program. New ordinary paid business, including group, totaled $165,689,576 last year and new weekly premium paid amounted to $41,012,790.

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New A&H premiums reached an all time high, increasing 89% over 1953. Group A&H premiums totaled $814,507, an increase of 83.7%. Total premiums exceeded $23,641,473, of which $6,894,113 was from weekly premium business.

Insurance in force reached $916,079,134, an increase of $115,633,929. The total is made up of $610,245,531 ordinary, $201,469,372 weekly premium and $104,364,231 group.

Assets stood at a record $172,871,411. Capital and surplus, including voluntary contingency reserves, totaled $8,125,000. Legal reserve on policies increased to $157,386,736.

NLRB Overrules Texas Pru Union Decision

National labor relations board has overruled the decision of its regional director that an election among employes of Texas Prudential should be set aside. The board certified that the election resulted in 58 ballots against Office Employes International Union, Local 27, AFL., and 41 for it.

Abe Murdock, board member, dissented in favor of the regional director and said that timing of an announcement by the company three days before the election that a pension plan for employes would probably become effective early this year was deliberately calculated to, and did, interfere with the employes' freedom of choice of a bargaining representative.

The board majority said the plan had been developing some time, some employes had worked on it, and they generally knew about it before the election.

Plan Selection Men's Meet

The executive committee of Institute of Home Office Underwriters, headed by President James D. Renn, Peninsular Life, met at St. Louis to discuss plans for the annual meeting. The convention will be held at the Kentucky hotel, Louisville, Oct. 26-28.

Life Companies Are Qualified to Fill Demand for Variable Annuities: Maclean

J. B. Maclean

The three basic arguments against adapting the variable annuity system to life insurance are that the life insurance has been built up on the basis of dollar guarantees, while variable annuities have no such guarantees; that the system is too complicated for buyers and agents; and that variable annuities are based on the assumption of the probable continuation of the present inflationary trend, Joseph B. Maclean, consulting actuary and former vice-president and actuary of Mutual of New York, said at the Saratoga management conference of New York State Assn. of Life Underwriters.

It is argued, Mr. Maclean said, that to abandon the basic principle of the life business, the reputation it has for safety and reliability on the basis of promises to pay dollars, would undermine the confidence of the public in life insurance generally. But, he said, when conditions change, life insurance must change its methods to meet the situation. If it fails to do so the result may be equally damaging to its reputation.

The objection that a system of variable benefits is too complicated, he said, did not greatly impress him. The suggestion that change in a system would create serious agency problems, he said, is not sound either, because it is doubtful that today's carefully selected and highly trained agents would be incapable of understanding a variable annuity plan. Group annuities, which would undoubtedly form the greater part of such business, are sold largely by specially trained home office personnel, anyway. As to the public, he said, there is a real question both as to the selection of suitable purchasers and the methods to be used to insure their proper understanding of the system.

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The third objection, that the emphasis on the probable continuation of an inflationary trend will tend to defeat efforts to curb inflationary factors, affect the demand for life insurance and be harmful to the business as a whole is difficult to appraise, he said. He opined that if life insurers believe inflation will probably continue, or if they think that there will be wide fluctuations in the cost of living in the future as in the past they can't just shut their eyes to the consequences and conclude that it is just too bad.

The increasing realization of the need for protecting pensioners from the effects of inflation and deflation has led to the establishment of a number of plans involving investment in common stocks and to the variable annuity principle. Probably many more such plans will be adopted in the future. Unless and until variable annuities can be purchased from an organization providing such contracts, the only mechanism available to an industrial or other corporation for establishing such a plan is the special pension trust.

Two types of plans are already established, combination plans and balanced fund plans.

The combination plan consists of two parts, one of which provides fixed dollar benefits either through a group annuity contract, or by a separate trust fund providing fixed dollar annuities and invested largely or entirely in debt obligations. The other part is a separate common stock trust fund under which pension credits are in the form of units, the dollar values of which vary either with the current market value of the fund or with the variations in the cost of living index.

College Retirement Equities Fund (CREF), of which Mr. Maclean is a trustee, is an example of a combination plan, although it is not a trusteed plan. The combination, fixed dollar annuities and variable annuities, is required by such a plan and is an essential feature of the system.

CREF, an affiliate of Teachers Insurance & Annuity Assn. (TIAA), works this way: The owner of a TIAA deferred annuity contract may apply for a CREF contract calling for premiums not greater than the premiums payable under his TIAA contract. At least half his total premiums must be used to purchase a fixed dollar annuity. Premiums paid to CREF are invested in common stocks without reference to whether current market prices are high or low.

Each premium paid to CREF buys a certain number of accumulation units, the value of which is determined monthly and is simply the total current market value of all stocks owned, divided by the total number of units. In the first 30 months the value of a unit, originally set at $10, fluctuated from a low of $9.35 to a high of $14.85. Successive premiums of the same amount buy different numbers of units.

Dividends received by the fund on the stocks owned are not paid out, but are credited to participants once a year in the form of additional units. Capital gains and losses—realized or unrealized—are automatically reflected in the current unit value.

At retirement date, the current market value of the units owned is converted into an equivalent unit annuity by the usual actuarial method, according to age, sex and assumptions as to

(CONTINUED ON PAGE 18)

'Special' Policies Vigorously Defended, Attacked at N. Y. Managerial Conference

Preferred risk policies have one glaring deficiency, it quickly became apparent at the Saratoga Springs management conference of the New York State Assn. of Life Underwriters: These contracts are no good whatever for generating warm, affectionate feelings in the breasts of competitors.

This deficiency proved to have its brighter side, however. It resulted in some of the liveliest discussion that has ever graced these notably frank annual sessions.

Handling the pro-special case—and some expertly loaded questions—was Robert E. Slater, vice-president and

Robert E. Slater

H. Bruce Palmer

comptroller of John Hancock. He headed the committee that worked out the new series of policies that the Hancock started issuing last May.

Speaking against the preferred risk policy was H. Bruce Palmer, president of Mutual Benefit Life. He is a former agent, supervisor, general agent, and agency vice-president, sufficiently close to his field experience that he is still getting renewal commissions on personal business.

Mr. Slater said the so-called evils of preferred risk contracts are being widely attacked because "two large New York companies" introduced such contracts last year. Mr. Slater's abstention from naming the companies did not prevent his listeners from immediately identifying them as New York Life and Equitable Society.

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"It is worth noting," he said, "that the strongest complaints appear to be coming from companies which are in more direct competition with these two New York companies than they are with those that have been in the preferred risk field for some time. The 1954 production figures for the two New York companies have increased considerably in comparison with the figures of companies opposed to preferred contracts. These may be significant facts influencing some with regard to the validity of prefered risk policies."

Later in his talk Mr. Slater shoved the needle a little deeper by recalling what a speaker at the 1954 Life Insurance Assn. of America meeting said in the discussion on the right principles for federal taxation of life companies: That he never knew a company to espouse a principle that resulted in its paying more taxes than under some other principle.

"Competition and selfish interests can and do influence thinking and this fact cannot be ignored in honest appraisal of the preferred risk controversy," Mr. Slater observed.

Mr. Slater based his contentions almost entirely on the ground that preferred risk policies result in more equitable treatment of all policyholders. For example, suppose administrative costs that vary on a per-policy basis are $10 a year and that the company's average size of policy is $5,000. The net result of the dividend calculations would be that for this service the $1,000 policy would pay $2 and the $100,000 policy would pay $200—even though the service rendered is exactly the same. The difference in net cost could run as high as $5 per $1,000 per year between two companies just because of the difference in the average size of policy.

Mr. Slater said that to correct this inequity, at least partially, all companies do something, depending on the circumstances within the company. For example:

1. In dividend calculations some companies take the *average size of policy by plan of insurance* into consideration. The practice tends to assess less cost to those plans having the higher average size of policy.

2. Some companies take the *average size of policy by age at issue* into consideration because the average size of policy is lower at the younger ages. This practice tends to reduce the cost of insurance for the higher ages at issue and increase it at the younger ages.

3. Some companies have found it advisable to introduce *policies with minimum amounts* somewhat higher than $1,000 in order to get a reasonable degree of equity among various classes of policyholders. These policies in some instances have also been made preferred from an underwriting standard as is true of John Hancock. This is done to provide more equitable treatment from a mortality basis as well.

"One of the companies opposing pre-

(CONTINUED ON PAGE 19)

Conn. Sales Congress Readies Mar. 31 Card

H. Bruce Palmer, president of Mutual Benefit Life and Elmer T. Nicholson, superintendent of estate planning agencies of Connecticut General Life, will address the sales congress of Connecticut State Assn. of Life Underwriters Mar. 31 in New Haven.

Insurance Commissioner Spellacy will extend the welcome and a panel discussion will be conducted during a Connecticut State Assn. hour.

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General chairman is Frank L. Crowell of Mutual Benefit, Norwich. Assisting will be Dan Hansen of Connecticut Mutual, Hartford, as general co-chairman; Frank S. Brainard of Mutual Benefit, New Haven, and Kimberly Cheney of Northwestern Mutual, Hartford, advertising co-chairmen; John Redmond of United Benefit, New Haven, arrangements; Warren F. Reuber of Connecticut Mutual, Hartford, program; Percy T. Hammonds of John Hancock, New Haven, tickets; William F. Gunther of Penn Mutual, New Haven, publicity; and John Lobingier of LIAMA, promotion.

The advertising co-chairmen will be aided by Frederic R. Gibbs of Mutual Benefit, Waterbury; Louis F. Stern of Metropolitan, Bridgeport; Robert A. Flynn of Connecticut Mutual, New Haven; Gordon D. Orr of Equitable Society, Meriden; and Harold S. Hodgdon of Mutual Trust, Stamford.

N. C. Bill Would Fine Agents for Violation

A bill has been introduced in the North Carolina legislature which would subject agents and companies that violate the insurance laws to civil penalties in lieu of or in addition to the suspension or revocation of license.

The measure would give the commissioner power to impose fines on companies and agents who violate the laws, and if they refused to pay the fine to bring suit in the courts.

• • •

Commissioner Gold recently appeared before the insurance committee to request that such powers be given him, stating that the only punishment he can impose under present law is to suspend or revoke the company's license. This punishment is so drastic that it is seldom employed.

He suggested that an intermediate punishment is needed. The measure provides for penalties up to $500 for agents and to $5,000 for companies.

Stand Up for Cravey

The executive committee of Georgia Assn. of Insurance Agents at a meeting in Brunswick praised Commissioner Cravey of the state insurance department for his "impartial and forthright approach" to the problems of the insurance business and indicated that Mr. Cravey apparently has been criticized for not correcting alleged evils perpetrated by a small minority of companies and agents. This has been due, the association spokesman, president James P. Walker of Augusta, said, to the absence in Georgia of proper laws for regulation of insurers,.

If the state legislature does not give the commissioner the proper authority he needs, the federal government has a right to step in and do the job in Georgia, Mr. Walker declared. He said the agents would not like to see this happen. The agents also expressed opposition to compulsory automobile insurance.

Best Feb. for Indianapolis Life

Indianapolis Life last month recorded the largest volume of paid business of any February in company history.

Paid volume was up 13% over last February. Sales for the first two months of 1954 were 26% over the comparable period a year ago.

Advisers Discuss CLU-CPCU Exams

First meeting of the new Council of Educational Advisers at CLU-CPCU headquarters in Philadelphia was devoted to orientation and discussion of methods of preparing CLU and CPCU examinations and administration and grading of the examinations which are given annually in June.

Members commented favorably upon the thoroughness and fairness of examinations procedures of American College of Life Underwriters and American Institute for Property and Liability Underwriters. They visited the S. S. Huebner Foundation for Insurance Education where Dr. Dan M. McGill, executive director, was host at a dinner.

Staff members at the meeting included Dr. Huebner, president emeritus of the college and board chairman of the institute; Dr. Davis W. Gregg, now president of the college; Dr. Harry J. Loman, dean of the institute; Herbert C. Graebner, dean of the college; Robert W. Morse and Dr. Edwin H. Overman, assistant deans; Dr. W. M. Howard, director of educational publications of the college; and Arthur W. Mason Jr., director of college relations of the college.

Mattson Goes to Omaha

Roy A. Mattson, Kansas City supervisor of Union Central Life for four years, has been appointed manager at Omaha.

Roy A. Mattson

He entered the business in 1946 as an agent in the Topeka office of the company's Kansas City agency. He was named unit supervisor in 1940. Previously he was employed by the Kansas income tax department.

Names Mortgage Loan Firms

John Hancock Mutual has appointed C. Douglas Wilson & Co. of Greenville to represent it as mortgage loan correspondent in South Carolina; Jones, Hill & Brooks, in Savannah, Ga; E. S. Watts & Co., in Montgomery, Ala., and Murphey, Taylor & Ellis, in Macon, Ga.

Plan April Sales Meets in N. C.

The annual sales congress sponsored by North Carolina Assn. of Life Underwriters this year will feature five speakers. Beginning April 12, stops will be made on successive days at Charlotte, Hickory, Greensboro and Raleigh.

Urges Agents to Write Both Life and General Lines

Life agents should write general insurance lines and general insurance agents should write life insurance, said Lewis V. Irvine, superintendent of training at Travelers, at the life agency management conference at Ohio State university, Columbus.

Mr. Irvine admitted a prejudice in favor of a full multiple line conception in insurance but said he could not understand why any good insurance man cannot learn to write the specifications for more than one kind of coverage.

Mr. Irvine said an agent should either protect a client's entire protection program by completing it or getting someone else to do so. Providing property and liability cover would expand the life agent's operation to an account basis instead of his present case basis. It would permit him to utilize his training and to exercise his talents on a broader scale. And it might help correct the tendency that good life men have to write larger and larger amounts on fewer and fewer cases, thereby cutting themselves and their companies out of a great mass market into which some other element will move if it is ignored.

This mass market is the man who owns a little house and a car and wants a few thousands of life insurance for his wife and children—no program, no fancy frills, just a cushion, said Mr. Irvine. He indicated that life agents are begging for "over-the-counter" competition when they permit such a situation to continue. Such competition has been prevalent in Massachusetts, New York, and Connecticut for many years through savings banks. Agents who think all life insurance has to be sold should take a look at the figures, he said.

Making property-liability cover a part of a whole insurance plan, including life, helps get good men into the business and keeps them there. If the young man were given the chance, he could easily pick up some automobile and fire business and, in so doing, could provide himself with the wherewithal to continue in the business until he has become a good life producer.

Men in the general insurance field could learn a few things from the men in the life field, Mr. Irvine said. Such expressions as "prospecting", "time control", "close", "center of influence" and many others are familiar to the life man, but are heard too little in the property-liability field. He said he admired life insurance people but he didn't believe that they and their product were much different from what can be found in the rest of the business. Maybe if they worked a little closer together, they would both benefit, he concluded.

J. O. Carter Retires as V-P of Provident

J. O. Carter Jr., vice-president and treasurer of Provident L. & A., has retired after more than 38 years with the company. He was honored at a farewell luncheon at which he was presented with a television set.

J. O. Carter Jr.

Mr. Carter joined the company in 1916, became assistant treasurer in 1926 and treasurer in 1928. He was made vice-president and treasurer in 1948.

Crown Life Names Davis to Group Post in South

Crown Life has appointed Euel Davis regional group supervisor at New Orleans. He will direct group operations in Louisiana, Mississippi, Arkansas, Texas, Alabama, Florida and Georgia.

Mr. Davis has been with Crown Life's group department since 1942.

Decatur Congress Card Set

Decatur (Ill.) Life Underwriters Assn. will hold its annual sales congress April 16.

Speakers will be Kenneth McFarland, educational consultant for General Motors; Roy R. Rathburn, John Hancock Mutual, Rock Island, Ill.; Robert E. Castello, Northwestern Mutual, Champaign, Ill., and Donald L Bryant, Equitable Society, St. Louis.

Home Life Honors Damuth

W. C. Damuth, assistant secretary of Home Life, was honored on his 30th anniversary with the company. William P. Worthington, president, presented him a service emblem in a special ceremony. Mr. Damuth first worked in the actuarial and issue departments. He became assistant secretary in 1945 and since 1952 has been working with Howard C. Spencer, vice-president, on management planning projects.

Buckman Tops Old Line for 10th Consecutive Year

MILWAUKEE—For the 10th consecutive year, H. R. Buckman, general agent here for Old Line Life, led the agency force in personal production and his agency also was tops for the past year. In recognition of the achievement, officers of the company were hosts to agency members and their wives at a dinner.

Having won three three-year trophies, Mr. Buckman was presented with a new plaque by Paul A. Parker, agency director. He led in volume, total premiums and lives, also completing 185 consecutive months on the Old Line honor roll.

Second and third place general agents for 1954 were F. G. McNamara, Waukesha, and Sy Manix, Eau Claire, Wis.; and in personal production Norman D. Hempe and Jerry E. Clifford, both of the Buckman agency, Milwaukee.

A&H Bureau Releases Booklet, Asks Members to Study Complaints

Bureau of A&H Underwriters has released a pamphlet dealing with the "fine print" criticism often unfairly leveled at A&H insurance. It has also urged member companies—to the extent they do not already do so—to maintain a study of a factual record of complaints made concerning them to insurance commissioners or to themselves.

The pamphlet, entitled *Dig That Fine Print*, shows up the falsity of the too often leveled charge against the A&H business of the use of "fine print" in its policies to ensnare the unwary and rob the policyholder of his just claim. Copies are available at 10 cents each from the bureau's office, 60 John street, New York City.

The study of complaints was recommended following a unanimous vote of the governing committee. A study of A&H complaints made to commissioners in 10 states recognized that in many instances the complaints might not exist if each company maintained a top level study of complaints directed at it. Companies which belong to the bureau have already subscribed to a broad code of practices for the conduct of their business.

Philadelphia Life Makes Home Office Promotions

Joseph E. Boettner has been promoted to vice-president of Philadelphia Life. He joined the company in 1951 as superintendent of agencies and was advanced to vice-president and superintendent of agencies the following year. He previously was manager at Philadelphia for Home Life.

Louis Myers, with Philadelphia Life for more than 40 years and assistant secretary since 1953, was named secretary to succeed the late George E. Townsend. Lewis O. George, who joined the company's actuarial department 25 years ago and has been assistant to the president since 1948, was named to the newly created post of director of administration.

James H. Burdick, assistant superintendent of agencies since 1951, and Alan L. Smith, regional director of Delaware county and lower Delaware valley since 1952, were named superintendent of agencies. Appointed assistant treasurer was Densmer H. Snyder, who has been in the mortgage accounting section since 1951.

John T. Sheehan, in the secretarial department since he joined the company last year, was appointed an assistant secretary.

Bentley New General Agent of Mutual Benefit in Ill.

Mutual Benefit Life has named Kenneth R. Bentley general agent for southern Illinois succeeding Millard F. Bingham, who requested to be relieved in order to devote more time to the Springfield area. He remains as manager of the Springfield regional office.

Mr. Bentley, who will make his headquarters at Danville, has been with Northwestern Mutual there. In the field since 1946, he is a life and qualifying member of the Million Dollar Round Table.

Okla. Group Disapproves Federal, State A&H Bills

OKLAHOMA CITY—Oklahoma City Assn. of A&H Underwriters has gone on record as opposing the federal health reinsurance program, and also has registered disapproval of the bill in the Oklahoma house to make A&H insurance policies non-cancellable. Both actions were taken after an address by Leonard McKinnon, Flint, Mich., president of the International association, who was introduced by William J. Coursey, managing direction of the international.

New Insurer Capitalization Hike Bill Fails In Ind.

The bill to double capital and surplus requirements for formation of new companies in Indiana, introduced by the insurance department and backed by agents' associations, failed to pass.

In backing the bill, the commissioner pointed to the great increase in new companies in the state, 163% over the 1945 number as contrasted with a national increase of 99%.

LIAMA Issues Manual on Public Relations

LIAMA has issued a 102-page public relations manual for managers and general agents, entitled *How to Make Your Agency Well Known*. John L. Lobingier, Jr., director of public relations, is the author.

The first chapter notes that it is desirable to have a well known agency so as to make selling easier, to make recruiting easier, to strengthen company and business, and to promote individual ambition.

In a letter to agency officers of its member companies, LIAMA lists six objectives of the manual:

1. Point up the obligation of life insurance men to sell in ways that build public confidence and trust and to serve clients with the same object in view.
2. Demonstrate that good service to clients is more than an idealistic obligation; that in most cases there is profit in service.
3. Direct attention to areas where business success demands that the manager win friends for his agency.
4. Suggest many practical ways to gain good public relations for an agency, based on actual recent experiences of leading U. S. and Canadian managers.
5. Show the manager many ways to build good relationships *within* his agency—as a foundation for developing good relations outside the agency.
6. Get down to specifics in eight "how to" chapters on improving agency and agent techniques in such important means of communication as letters, telephone, newspaper releases and advertising, radio and television programs, displays and booklets.

Outside Views of Business Covers Given at Milwaukee

A business life insurance forum, sponsored jointly by Milwaukee CLU chapter and Milwaukee Assn. of Commerce, was addressed by T. W. Korb, secretary-treasurer and general counsel of Harnischfeger Corp.; LeRoy W. Grossman, vice-president Marine National Bank, and Roger C. Minehan, attorney.

Mr. Korb recommended that a company buy business life insurance like it buys a machine tool: For a specific purpose. Cautioning against over-buying of pension plan insurance, he said a company should take into consideration the "peaks and valleys of economic conditions."

Because the death of an owner or key employe may cause great loss to a business and hurt its future prospects, Mr. Grossman said bankers take into consideration the amount of life insurance carried when evaluating a company. Mr. Minehan said a company should call in its lawyers, accountants and other specialists before buying business insurance.

Sanden, Statistician, Joins LIAMA in Research

Gerard Sanden, statistician with American Express Co. in New York, is joining LIAMA as research assistant. He will work with Alfred G. Whitney, research associate who heads market research studies and statistical surveys.

Mr. Sanden has been professor of statistics and economics at University of Potosi, Uroro and Sucre in Boliva, with National Board of Education and Ministry of Education in Sucre, professor of educational research and statistics at National Teachers College, head of the biostatistical section of the ministry of health and labor, teacher Institute of Commerce, American Institute, School of Social Work, National Police Headquarters School and School of Military Engineering in La Paz, Boliva.

Washington in New Post

E. Warner Washington, former vice-president and general manager of Jackson Life of Tennessee, has joined Continental Life of Texas as president. He succeeds Sterling C. Holloway, who becomes chairman and will continue as the senior executive officer.

Mr. Washington's background includes service with National Equity and Franklin Life.

Conn. General Buys New York City Offices

Connecticut General Life consummated the largest real estate transaction to occur in the New York City insurance district in the past 25 years when it executed a contract to purchase, for investment, the properties of 111 John street, 243-245 Pearl street, 22-24 Cliff street and 131 John street from 111 John Street Corp.

The main property, 111 John street, is a 27-story and basement fireproof office structure erected in 1929. It has a rentable area of 250,000 square feet and a volume of about 4 million cubic feet. It houses among its tenants many of the leading fire, casualty and marine insurers and their agents and brokers. The Pearl street property is a five-story loft building and the other two parcels are vacant plots now used for automobile parking.

No lease-back is involved in the terms of the contract.

EDITORIAL COMMENT

NALU Midyear Good Place for Politicking

The time is short for local associations which intend to sponsor a candidate for a National Assn. of Life Underwriters trusteeship to get their man's campaign off to a flying start. Often promises or even firm commitments of support are made during the NALU midyear meeting, and unless an association's candidate is then avowed an opportune time for enlisting wide support is lost.

Associations not backing their own candidates usually are happy to get on the bandwagon of someone who is well qualified. Endorsements obtained several months in advance of the annual convention are particularly helpful. They constitute strong talking points for the campaign manager who is spreading the story of his candidate.

The announcement in November of the trustee candidacy of Oren D. Pritchard, Union Central manager at Indianapolis, stirred the hope there would be several hats tossed in the ring early. Such was not the case, however. It was not until last week that the only other trustee candidacy to date was made public. Sam B. Starrett Jr., general agent at Omaha for Guarantee Mutual Life, is running for reelection. He was elected to the only one-year term at the last NALU convention. Both candidates, long vital forces in agent activities on the national as well as local level, have strong support in their areas and have backers who are pushing their causes in a well organized fashion.

There also is an avowed candidate for the NALU secretary post, Albert C. Adams, John Hancock Mutual general agent at Philadelphia who now is serving his second term as an NALU trustee. Like the trustee candidates, he truly is deserving of the term popularly used to describe those who contribute greatly to association activity—wheelhorse.

The excellent qualifications of the three professed candidates augur well for NALU, but their number is far too small considering the midyear meeting is only a few days away.

Mass Prestige-Getter that Works

The plan used by some of the general agents and managers associations to honor leading producers for the preceding year could well be more widely adopted. As an example of the way the plan works, here's how it was handled in Detroit:

The managers staged a "man of the year" dinner honoring the top producer of each participating agency. By acting in concert, they were able to stamp the affair with the imprimatur of all the Detroit life insurance business and thus reap the reward of wide public notice.

All agency heads are anxious to reward production leaders with recognition that extends beyond office walls, but it is this very unanimity that frustrates their purpose, at least in larger cities. When there are dozens of managers trying to get across the story of a leading agent it is doubtful much notice can be taken by the daily papers, nor is it likely to be the sort of notice that would carry more than the slightest of passing interest for the general reader.

Those who arranged the Detroit affair didn't miss a bet. Detroit Trust Co., informed of the event, sponsored a half-page ad in Detroit newspapers that greatly stimulated community interest. Names of the individual leaders were listed in the ad, and they were saluted as the "men who protect you tomorrow". There was a sincere message of thanks for the work of the life agent and his functions in the community. The meeting program was designed to be of interest both to life insurance men and the general public, and consequently there was press treatment far better than usually accorded insurance gatherings. Appealing to both segments was a review of the achievements of the composite "man of the year," who in 1954, his 13th year in the business, had production of $980,000 and income of $23,000. The latter figure, incidentally is pretty good recruiting propaganda.

The principal address, in step with the balance of the program, was a preview of Detroit's economic and civic future. Though not an insurance man, the speaker had some kind words to say about the business and the individual production leaders. These remarks got to the public ear.

The collective result at Detroit was considerable favorable public notice of the insurance business itself as well as of the top producers. The business received publicity it never would have got had the best producing agents been recognized individually.

Right now would be a good time for the planners of other managers' programs to test association sentiment on following the pattern that has produced such good results where it has been tried.

PERSONALS

Harry J. Volk, vice-president in charge of western operations for Prudential, was named "Los Angeles' Outstanding Citizen" by the Wilshire Sertoma Club at its annual freedom award luncheon.

Richard B. Evans, president of Colonial Life, has been named a member of East Orange, N. J., planning board.

Edmund Fitzgerald, president of the Northwestern Mutual Life, and Mrs. Fitzgerald are on a Mediterranean cruise.

Edith Khoury of Los Angeles, who combines a dramatic career with her duties as a Bankers Life of Nebraska agent, recently was in two television productions, "The Rin-Tin-Tin" show and the "Blushing Bride". For the latter show she had to learn to ride a horse in only two days. She also will appear in a Donald O'Connor show in which she will wear a sarong. She averages two or more applications each week while keeping up her dramatic work.

Miss Mildred Stone, assistant to the president of Mutual Benefit Life, has been elected a trustee of Mountainside Hospital Assn. at Montclair, N. J.

Almore H. Teschke, vice-president and general counsel of United of Chicago, has been elected a director of First Commercial Bank there.

National Estate Planners Meet Set for Des Moines

National Estate Planning Institute in cooperation with American Society of CLU and several Iowa organizations will stage an audience participation type gathering at Des Moines April 18-19 for trust officers, agents, lawyers and accountants.

Among estate planning experts who will participate are Joseph Trachtman of Trachtman &Wolf, New York City law firm; Robert J. Lawthers, director of benefits and pension business New England Mutual Life; Laflin C. Jones, executive assistant Northwestern Mutual Life, and Kenneth I. Todd, trust officer Valley National Bank, Phoenix.

Concerning problems of the average small business man, the program will cover viewpoints of the lawyer, accountant, agent and trust officer, with particular stress on that of the client. Among cooperating sponsors are Des Moines CLU chapter, Estate Planning Council, Life Underwriters Assn., General Agents & Managers Assn. and Iowa Quarter Million Club.

The registration fee is $25 and should be sent to the institute at 212 Equitable building, Des Moines.

• *Service Life of Omaha* has withdrawn from Ohio.

DEATHS

JULES ANZEL, 46, general agent of Continental American Life, died after a heart attack in his home at New York City. Mr. Anzel joined the company in 1932 and had headed his own agency since 1940. He was a former chairman of the Midtown Managers' & General Agents' Assn. of New York City.

A total of 132 years of underwriting experience was lost with the recent deaths of **HERBERT L. SMITH, ALBERT B. IRWIN AND JOHN R. SWENGLE,** former general agents of Northwestern Mutual Life.

Mr. Smith, who represented the company at Harrisburg, Pa., died at age 69. He joined Northwestern Mutual in 1911, became a general agent in 1924 and retired in 1952.

Mr. Irwin, who was 61, joined the company in 1919 and became general agent at Oklahoma City in 1930. He had retired from administrative duties three years ago, but continued as a producer. He was a past president of Oklahoma Assn. of Life Underwriters and Oklahoma City General Agents & Managers Club.

At 86, Mr. Swengle was one of the real old-timers in Northwestern Mutual's agency force. He retired in 1930 after serving 24 years as general agent in Altoona, Pa. He joined the company in 1902.

New Superintendent

Leffert Holz, the new insurance superintendent in New York, held a press conference last week, only a few days after taking over the post. In the informal, off the record interchange, Mr. Holz indicated that in a short time he had come to appreciate the importance of the superintendency and the size and complexity of the superintendent's duties. He also commented on the deep impress he had already received of the size of the business and especially of the way in which it touches so significantly the lives and fortunes of so many people.

Leffert Holz

Mr. Holz is a successful New York City lawyer, with a long acquaintance with the real estate field. He is familiar with the uses and value of statistics, is accustomed to working with a great many people with wide and diverse interests, and he gives every evidence of being a man of judgment and reason.

• *Harry V. Cohen* has been appointed brokerage supervisor of James G. Ranni generai agency of Manhattan Life in New York City. He has been with the company since 1938.

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NEW YORK 38, N. Y.—99 John Street, Room 1103, Tel. Beekman 3-3958. Ralph E. Richman, Vice-Pres.; J. T. Curtin, Resident Manager.

OMAHA 2, NEBR.—610 Keeline Bldg., Tel. Atlantic 3416. Clarence W. Hammel, Resident Manager.
PHILADELPHIA 9, PA.—123 S. Broad Street, Room 1127, Tel. Pennypacker 5-3706. E. H. Fredrikson, Resident Manager.
PITTSBURGH 22, PA.—503 Columbia Bldg., Tel. Court 1-2494. Bernerd J. Gold, Resident Manager.
SAN FRANCISCO 4, CAL.—Flatiron Bldg., 544 Market St., Tel. Exbrook 2-3054. F. W. Bland, Pacific Coast Manager.

Blood Pressure *Fluctuations Can Hinder Selection*

By DR. HARRY DINGMAN

Build—As weight increases, blood pressure increases. As age increases, weight increases, even in adults, even in intelligent adults, and increase in age and weight brings increase in impairments, even blood pressure impairments. Added poundage puts added task upon circulatory system.

Sex—Blood pressure in females averages lower than in males, 177/71 as compared with 121/74 according to Robinson-Brucer readings on 3405 women and 7478 men. In Alvarez' study of 15,000 college students, all young adults, 22% of men had systolic blood pressure over 140 mm., only 12% of women. In early childhood pressures are closely similar. Following adolescence it is markedly lower in females.

Race—Asiatics have blood pressure readings lower than Americans, as much sometimes as 20 and 30 mm. lower. So also Africans, Australian aborigines, West Indians and Mexicans. With many of the more primitive peoples of the world, blood pressure of adults does not increase with age (Kean). Possible factors are smaller stature, simpler life, tropical habitat and less protein in diet. And then again, maybe blood pressure shouldn't increase with age except for obesity and Western strain of living.

Heredity—Size, coloring and temperament are inheritable. So also cardiovascular vigor. What appears to be harmless transitory hypertension in children may be followed by permanent hypertension in later life (Sobel). In a 20-year followup study of 1800 persons

45% developed hypertension if one parent had had it

90% developed hypertension if both parents had had it (Hines)

Emotionalism—Blood pressure is labile. It fluctuates. It is higher in temperate zones than tropical, higher in winter than summer, higher in daytime than night time, higher in afternoon than forenoon, higher in activity than repose, higher in fever than health. And higher under emotional stress? Higher under emotional stress. Many physicians have made observations. The lie detector gives evidence. Many an army inductee has had his systolic blood pressure over 150 mm., his pulse count over 100, yet, visiting his own physician a few hours later, lower levels were found. Blood pressure fluctuation is normal, but not when excessive. Persons with volatile pressure who show marked differences in readings under somewhat ordinary conditions are spoken of as hyperreactors and hyperreactivity must be considered a precursor of hypertension. So Hines believes. So Van Dellen believes. Many followup studies attest.

This is an excerpt from the new edition of "Risk Appraisal" by Dr. Harry Dingman, vice-president of Continental Assurance. Acknowledged as an authoritative work throughout the insurance world, more than 800 life and A&H companies use the book as a basic text. It has received enthusiastic praise from many million dollar producers. The new edition now is available from the National Underwriter Co.

New Phone Directory for Baltimore, Washington

The 1955 Baltimore and Washington Insurance Telephone Directory has just been published. Copies may be ordered from the National Underwriter Co., 420 East 4th street, Cincinnati, The price is $1.

Figures from Life Companies' Year-End Statements Shown

	Total Assets $	Increase in Assets $	Surplus to Policy holders $	New Bus. 1954 $	Ins. in Force Dec. 31, 1954 $	Increase in Ins. in Force $	Prem. Income 1954 $	Benefits Paid 1954 $	Total Disburs. 1954 $
Acme United Life	2,765,077	481,425	316,762	3,281,671	24,702,132	752,452	842,065	98,082	877,145
Alliance Nationale	21,749,514	1,471,663	7,087,784	23,195,991	139,776,516	17,109,407	2,596,345	1,083,666	1,989,927
American Life, Ala.	11,130,297	800,647	1,247,928	82,610,008	121,884,933	24,194,799	4,287,682	1,280,103	4,126,530
Atlantic Life	82,319,975	4,199,231	7,407,813	56,953,628	334,354,991	12,549,988	10,537,257	5,005,499	14,743,205
Atlas Life, Okla.	19,276,816	2,004,045	1,147,629	47,335,094	186,442,544	43,232,285	4,322,982	1,852,971	3,215,190
Bankers H. & L.	12,722,483	912,883	2,766,167	52,309,072	86,137,827	4,951,987	4,240,410	1,501,324	3,709,165
Beneficial Life	67,013,063	5,991,227	7,030,984	44,586,954	320,982,064	25,248,060	8,986,658	3,377,396	6,185,651
Central Standard Life	95,352,335	4,060,600	12,321,878	39,736,814	350,454,473	222,703	10,061,272	5,745,720	11,882,623
Century Life, Tex.	10,647,655	1,208,918	1,096,341	10,464,745	63,202,503	4,734,922	2,430,304	717,198	1,754,825
Columbian National Life	110,890,844	5,752,571	13,816,379	81,770,428	484,095,827	51,655,008	12,109,848	7,308,938	13,661,284
Commercial Life, Ariz.	4,661,472	519,805	679,418	5,193,479	33,075,898	1,983,934	880,966	179,279	407,212
Crown Life	199,145,275	19,544,751	12,850,649	197,291,939	1,261,015,857	137,551,693	33,541,112	15,320,869	40,258,925
Detroit Mutual	2,090,432	450,014	400,992	35,541,990	39,853,963	9,975,228	2,870,461	769,451	2,498,126
Family Fund Life	7,335,788	942,647	886,702	52,768,881	86,229,237	9,176,729	3,129,588	637,139	2,507,027
General American Life	213,890,508	10,049,617	8,698,100*	320,419,920[1]	1,824,127,950	267,859,568	40,147,971	31,700,667	42,033,585
Government Employes Life	2,746,611	987,240	723,840	15.617,879	51,169,024	15,570,907	1,144,752	132,652	260,411
Great-West Life	513,976,475	33,337,812	27,905,580	363,820,622	2,247,989,070	281,369,912	74,523,949	42,883,593	59,515,433
Imperial Life, Canada	208,004,828	9,637,865	14,579,578	90,370,770	769,864,099	47,075,497	22,498,846	13,264,371	20,335,645
Independent Life, Md.	3,970,303	437,905	1,105,193	7,620,521	20,258,597	66,439	1,018,593	280,314	1,009,852
Manufacturers Life	590,693,764	50,410,794	41,283,188	245,559,664[2]	1,781,944,087	150,822,897	77,396,699	31,721,610	55,262,549
Maryland Life	8,125,193	270,312	929,917	1,253,875	21,401,372	251,161	469,403	366,576	742,266
Mid-States Life, Ill.	1,421,625	350,296	1,156,522	47,902,645	41,765,362	13,523,602	1,571,285	——	383,911
Midwest Life, Neb.	12,739,431	1,154,317	1,333,772	14,993,043	73,681,327	7,273,236	2,064,494	742,979	1,878,813
Missouri Farm Bureau Life	1,237,493	318,656	205,243	6,145,376	24,556,670	4,506,807	580,519	67,568	542,712
Monarch Life, Canada	49,295,736	3,736,669	5,018,140	37,979,191	261,304,063	19,365,731	5,451,355	2,393,540	4,199,730
National Bankers Life	9,252,489	2,057,960	2,017,116	21,433,703	40,202,498	8,229,241	10,022,336	4,059,982	8,561,434
National L. & A.	526,367,112	48,451,615	57,111,785	913,839,980	3,917,009,945	291,735,149	107,562,840	30,960,737	76,196,042
National Public Service	13,710,654	1,270,007	800,016	10,678,232	75,376,033	6,353,929	2,775,483	1,411,143	1,127,143
North Central Life	2,017,736	350,936	496,007	28,479,675	37,060,985	11,655,357	1,017,338	167,773	803,797
Ohio Farm Bureau Life	**69,062,067**	**11,805,461**	7,599,789	177,423,574[3]	719,049,049**	125,176,144	16,300,934	3,974,690	8,583,101
Pilgrim H. & L.	8,001,262	693,362	1,450,065	13,699,391	51,241,677	—674,039	2,472,029	781,643	206,953,197
Public Savings Life	2,105,222	410,807	430,926	28,519,989[4]	31,571,050	1,213,315	2,328,574	711,332	2,085,548
Puritan Life	3,568,815	11,038	306,324	7,008,029	25,241,804	5,547,046	408,890	286,889	606,619
La Sauvegarde	31,701,393	2,571,581	3,070,665	21,072,866	165,443,443	12,343,660	4,137,010	1,290,224	4,902,435
Security L. & A.	35,107,438	3,007,140	3,639,767	105,122,387	353,423,909	73,538,780	9,107,538	4,422,005	7,397,200
Southern Life & Health	21,730,793	2,347,700	2,970,000	77,194,034	186,289,286	7,269,359	1,154,018	1,443,621	4,892,459
Southern Life, Ga.	4,841,400	1,052,141	1,364,236	59,374,736	103,210,587	328,114,440	2,347,944	1,113,929	2,393,790
Sovereign Life	27,704,270	1,739,248	1,595,718	22,263,876	143,297,518	11,551,701	3,452,011	3,325,420	4,731,521
Teachers I. & A.	424,238,272	30,772,627	13,296,725	31,765,363	198,670,587	15,662,801	30,837,145	14,865,612	43,985,015
United of Chicago	48,956,241	9,170,880	7,274,574	211,400,913	432,782,517	75,478,546	43,302,777	13,363,828	37,878,457
United Life, Fla.	4,842,634	602,338	365,884	16,502,386	58,664,478	525,591	1,736,352	295,497	1,336,718
U. S. Life	69,562,770	7,445,944	5,390,342	234,575,447	694,881,244	193,437,564	19,397,217	10,153,404	20,858,381
Unity Mutual L. & A.	10,349,318	1,419,916	1,271,809	6,011,149	59,650,369	—469,769	2,783,765	689,785	2,047,254
Western Life, Mo.	1,660,502	164,007	224,365	4,124,005[5]	20,603,272	187,758	645,097	212,802	533,260
Western National Life	2,352,626	333,038	929,745	46,352,700	54,153,390	16,917,039	1,496,993	439,574	1,285,744
Fraternals									
Polish Roman Catholic Union	35,261,804	1,359,070	3,324,815	5,582,400[6]	100,973,100	855,000	2,653,198	2,204,553	2,908,688
Royal Arcanum	29,260,843	244,099	8,037,345	1,965,000	48,581,731	—1,274,047	1,245,352	1,821,239	1,676,537

The new business figures exclude revivals and increases except as follows: [1], $27,950,079; [2], $10,603,205; [3], $8,324,605; [4], $739,640; [5], $343,815; [6], $1,698,480.
*Special reserves of $12,665,802 maintained.
**Reducing term plans shown on current commuted value basis.

Galloway to Direct New DISC Through Early Stage

John G. Galloway, Provident L. & A., Birmingham, has been appointed interim director of the revised disability insurance sales course program of International Assn. of A & H Underwriters. He will serve until the permanent director, authorized by the association board, is able to take office.

Mr. Galloway, a former president of IAAHU and last year's winner of the "A&H Man of the Year Award," will complete the basic curriculum of the new course. The revised program will include a new text and will conentrate on developing a 10 to 12 week course.

N. W. National Has Best Feb.

Northwestern National Life's February sales of $10,657,000 set a record for that month and were 36% higher than those of February, 1954. This was the second consecutive month in which a new sales record was established.

North American L. & C. Plans Shipboard Rally

North American Life & Casualty, which recently concluded one of its most successful sales meetings at Minneapolis, has scheduled its next international convention for January, 1957. The meeting will consist of a cruise to South America, the group embarking at New York City. The cruise will follow the seaboard into the Caribbean area, eventually touching Venezuela.

Maclean Discusses Variable Annuities at Saratoga Meet

(CONTINUED FROM PAGE 10)

future interest and mortality. The number of units payable on each annuity date in the future is fixed.

A balanced fund plan is a single pension trust under which the fund is invested partly in common stocks and partly in debt obligations. There is no fixed dollar base. Credits are units with variable annuity benefits.

A balanced fund invested partly in common stocks, but providing fixed dollar benefits does not come under this category. In that case the purpose is merely to get the benefit of the expected higher yield and possible capital gains.

The variety and complications of some of the variable annuity plans seem to indicate the need for a more or less standardized and simplified type of variable annuity contract which would be available generally. This is a need which the life companies are qualified to supply, or it may be supplied by a special corporation organized for that purpose. Efforts are now being made in New York to form such a special corporation.

Mr. Maclean explained the general features of the CREF plan and said he is convinced of the soundness and desirability of it when applied under the particular circumstances and conditions which exist there. It is not a perfect solution to the problem, but it is the best available and it offers real promise of enhancing the security of the clients.

The variable annuity system is justified on the basis that, in the future, there will probably be wide swings in the price level in both directions, he said. It does not depend for its validity on the assumption that the long-term trend will necessarily be upward. But there are many factors to justify a belief that the long-term trend will be upward, such as constant pressure for higher wage levels, the probability of a continued need for heavy government expenditures for defense, the maintenance of parity prices and subsidies and the continuation of budget deficits and lower interest rates.

If the long-term trend of living costs should not continue upward there will be less need for the plan, though it will still perform a useful function.

Since CREF funds are invested in common stocks, and its purpose is to provide income of more stable purchasing power, it is assumed that common stock performance, including price and dividend return, will follow a generally similar trend to that of the cost of living index. If this assumption is valid, the variable annuity based on common stocks will tend, in general, to increase when the cost of living increases, and vice-versa.

CREF is not a speculative device. Investments are made regularly and continuously over long periods in a widely diversified list of carefully selected stocks, and irrespective of the current level of the market. Sales are not made to take profits, but to improve the quality or diversification of the portfolio.

Investment in common stocks on this basis is different from speculative buying and selling. On the basis of long-term experience the performance of common stocks has been good. In the past 50 years the average annual yield has been about 5%. In addition there has been an average annual appreciation of more than 2%. Periods when dividends on stocks decreased or vanished have been disastrous to many who were forced to liquidate or who relied entirely on income from stocks. CREF can never be forced to liquidate. It takes no risk as an organization. Its liabilities can never exceed its assets. It, therefore, needs no surplus, so all premiums and earnings, less expenses, are available to pay benefits.

From the point of view of the individual participant there is no major purchase or liquidation at any one point. Premiums and benefits are payable monthly over long terms of years with no disproportionately large investment or liquidation. There are no withdrawal rights and, in general, no lump sum benefits. Therefore the level of the market at any one point is not important.

Diversification of stocks is supplied by a national pool under expert management.

Many companies have shown interest in TIAA and CREF, he said. But it must be understood that for the present, at least, the application of the variable annuity principles to the life insurance contract may be regarded as impracticable. The high insurance element in most of the more popular plans of insurance—the lower priced plans—is an offset to decreasing purchasing power, so the same need does not exist. As to optional settlements, the possibilities are greater, but the facts that the whole of the policy proceeds would be applied at one date or over a short period to the purchase of a variable annuity and that an irrevocable election of a long-term settlement would be essential to the proper application of the plan present a serious objection. The same is true of single premium annuities. It may be assumed that any adoption of the system would apply, in the first instance at least, only to periodic premium deferred annuities.

"Special" Policies Appraised at N. Y. Managerial Meet

(CONTINUED FROM PAGE 11)

ferred risk policies has a minimum amount of $2,000 on its whole life contract, compared to $1,000 on its other contracts," said Mr. Slater. "This is probably done so that the small additions on pension trust business will be issued on another plan of insurance and not pull down the average size of policy on the whole life contract. But whether the minimum policy amount is $2,000 or $10,000 the principle involved is exactly the same."

4. Some suggest that premium rates should be quoted as so much per $1,000 plus a policy charge as a means of getting at this cost differential.

"This may perhaps be the answer to the entire problem," said Mr. Slater.

"It is a question of degree as well as kind and some companies because of the existing conditions, because of the variations among the groups served, have to use different means than other companies in order to get a reasonable degree of equity among its policyholders. If you use *any* such method, you are using the principle behind the preferred risk contract. Frankly, I know of no company that does not employ some such approach in its premium or dividend calculations.

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"In other industries and even in other areas of the insurance industry, notably the casualty business, we find that there are discounts because of size or quantity and no one questions the practice. But for some reason or other, it is argued we should not have it in the life insurance business. It is reasoned that those buyng large amounts of insurance should help out those who are buying insurance in smaller amounts.

"Opponents of preferred contracts make much of this point in their discussions. I will not argue against this principle but will agree to it. There is, however, plenty of room for reasonable differences of opinion concerning the extent to which the purchasers of large amounts of insurance should be asked to share the cost burdens of those purchasing insurance in moderate amounts. The determination of proper equities is definitely not an exact science. There is no such things as *the* one and only answer.

"Of course, if one is going to argue for complete sharing of the expense cost, which no company, to my knowledge, does in practice, it would suggest the conclusion that we should have a complete sharing of mortality costs as well. On this basis premiums would be the same for all ages and insurance would be issued to substandard as well as standard risks on the same basis. This sounds rather odd, but it is just as logical as some arguments we hear on expenses. The large buyers help the small buyers on expenses and the rich in health help those who are poor in health and the young help the aged on mortality."

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Looking at the matter in another way, Mr. Slater pointed out that the large market for life insurance is still in the small policy field, that is policies below $3,000. For example, the Hancock writes by number about 65% of its premium-notice business for amounts of insurance less than $3,000 and this is generally true in most of the "giant" companies.

"The average size of policy has such a tremendous effect on the net cost of insurance that unless the cost per policy is taken into consideration the larger companies would eventually be restricted to writing only the small policies," he said. "The field of insurance for larger amounts and greatest volume would then be the exclusive right of companies that do not serve the so-called 'industrial-class ordinary business,' as one company describes it."

Because of this consideration and

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the broad social and economic changes of recent years, the Hancock last May, introduced two lines of ordinary policies. One includes policies below $3,000, where administrative practices have been cut to the bone.

It was found that many restrictions and much administrative detail required on larger policies were not necessary on smaller ones. It was felt that the company could handle all policyholder service functions on the contracts of moderate amount in the field office. It could add benefits to the policies of moderate amount that were not feasible for larger policies.

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The other line of policies for amounts over $3,000 was also helped in that it was unencumbered by the large number of policies of moderate size. In line with these changes, the minimum amount preferred risk policy was increased from $5,000 to $7,500. Indications are that the company will be able to reduce the eventual cost of insurance to all its policyholders, those of small as well as large.

"It is interesting to note that the companies that seem to be in the forefront of the opposition to preferred contracts have a high average size of policy on their whole life contract, as high as the average size of policy on preferred contracts of other companies," said Mr. Slater. "Consequently, there is no great advantage to these companies in issuing a preferred contract either from the viewpoint of greater equity or improvement in their net cost position. They can and have accomplished the same purpose by just taking the average size of policy by plan of insurance into consideration.

"However, if all other companies were estopped from writing preferred contracts, these companies would have a decided competitive advantage, amounting to something around $2 per $1,000 per year in the net cost. Now I don't wish to be interpreted as saying this is one of the reasons for criticism of preferred contracts, for we as individuals have no right to judge motives. But the facts nevertheless are present and should not be overlooked."

Mr. Slater said that from the same circles that voice objections to preferred risk policies, "we also hear about the dreadful 'evils' of terminal dividends."

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"We are told they are tontine," he said. "As I understand a tontine policy, those who terminated suffered a loss and those who persisted profited thereby, while under settlement dividends those who terminate get a dividend, those who persist do not. Personally, I don't see how anyone can justify a dividend scale that does not include settlement dividends. In fact, I would very much like to see someone try to write a theoretical justification of a dividend scale without settlement dividends that would stand the test of time."

As for the competitive race that is dreaded as "so harmful to our industry," Mr. Slater said that "more competition is the answer to any complacency that has existed or is present in our business today. Competition will or should reduce the cost of insurance to the policyholders as was suggested in *Time* magazine recently."

Mr. Palmer's talk followed largely the lines of what he said in the symposium at the annual meeting of Life Insurance Assn. of America last December. He questioned the wisdom of stressing the price appeal in selling life insurance and urged that the emphasis be placed on expanding the service to the policyholder.

"Don't we owe the public the broadest possible coverage?" he asked.

Mr. Palmer also asked if it is wise to "bring confusion into the public's mind." The public has got used to a fairly uniform basis of pricing, so the way is left open for the agent to sell on the basis of service, his own personality, and other non-cost considerations. But sales promotion based on supposedly lower costs make the buyer think he has been gypped by other companies, said Mr. Palmer, relating two incidents in which Mutual Benefit agents lost already-issued policies because competitors had told the buyers they were paying too much.

What will be the effect on the agent when the smoke has all cleared away, asked Mr. Palmer. The agent, he said, is paying a substantial part of the cost reduction, through lowered commissions, amounting to as much as 20% less commission in some companies. He opined that cutting commission rates is not much of a way to help the agent who is faced with a shrinking market resulting from group insurance, pension plans, social security increases, mutual funds, and servicemen's coverages.

Beneficiary Changed by Gift of Policy, Alabama Court Rules

When insured has the right to change beneficiary at will, insurance companies must be certain that the named beneficiary is also in actual possession of the policy—at least in Alabama. This was brought out by a ruling of the Alabama supreme court reversing a lower court decision which awarded insurance proceeds from an Equitable Society policy to the named beneficiary.

Although his daughter was named beneficiary, insured's common-law wife claimed that he had given the policy to her, and she in fact possessed the policy contract. This, lacking evidence that the policy was not a gift, was the weightier factor, and the supreme court decided that the lower court had erred in judging that the beneficiary designated in accord with the requirements of this policy was entitled to the proceeds irrespective of any other disposition of the policy by the insured. (1 CCH Life A&H 1113).

Guarantee Mutual in Force Total Exceeds $334 Million

New sales of Guarantee Mutual Life during 1954 exceeded those of the previous year and insurance in force reached a new high in excess of $334 million. Assets totaled nearly $90 million, up from $36 million in a span of 10 years. For each $100 of liability there were $109 of assets.

Benefit payments exceeded $5 million. The percentage return on investments was 3.37.

N. Y. Life Moves Offices in K. C., Cincinnati

Chairman Devereux C. Josephs of New York Life was host to W. A. Bronaugh, 96, oldest New York Life policyowner in the Kansas City area, at recent ceremonies celebrating the move of the company's Kansas City branch to a new, 2-story, air conditioned building. More than 1,500 persons viewed exhibits depicting New York Life's historical background and present position in the industry.

A few days earlier in Cincinnati, another New York Life branch celebrated moving to new offices in the First National Bank building. Verne Stanford, field vice-president of the east central division, attended. John A. Kyle is local manager. Approximately 1,500 guests attended the opening.

Life In Force Gains Throughout World

Life insurance ownership has made big gains throughout the world since the end of World War II and in a number of countries has outpaced post-war inflation, according to Institute of Life insurance.

Comparing figures for 29 countries, covering life in force at the start of 1948, by which time many countries had made their initial recovery from war-shock, increases in the total in force have ranged from 38 to 547%. The rise in the U. S. was 46% and in 20 of the 29 countries, the six-year gain was larger than that.

Among the countries with greater six-year gains than the U. S. were: Japan, 547%; Italy, 416%; Finland, 216%; Turkey, 197%; Belgium, 118%; Canada, 80%; and most of the South American countries, where increases ran as high as nearly four-fold. In the United Kingdom, the rise was 53%.

The increases in life insurance in force at the start of 1954, over the figure one year before range from 2% to 37%, but in 19 countries the one-year gain was as large as or larger than the 10% increase in the U. S. The greatest percentage gains in the single year were shown in Japan, 37%; Israel, 29%; Turkey, 28%; France, 18%; and several of the Latin-American countries, with Colombia leading, up 37%.

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Currency devaluation and price inflation have been factors in the increase in many countries, but in spite of this, more than half of the countries for which figures are available show the ratio of life in force to national income greater last year than six years before.

In only two of the countries, is the ratio of life insurance in force to income as much as 100%, Canada leading with 115% at the start of 1954, while the U. S. ratio was 100%. The nearest to the North American level of ownership was found in New Zealand, where the ratio was 73%, while most of the countries were below 50%.

Compared with the pre-war figures for the start of 1939, the 1954 totals showed even greater gains in life in force throughout the world, but national income in all countries has shown increases of still greater proportions.

Mutual, N. Y., Appoints Dombo Control Director

Mutual of New York has promoted Theodore J. Dombo from control division supervisor to director of control. George F. Barclay, who has been assistant controller, was assigned to work with J. McCall Hughes, vice-president and controller, on special assignments, and John W. Knittle has been made assistant director of planning. He had been a planning assistant. Mr. Dombo joined the company in 1918, Mr. Barclay in 1907 and Mr. Knittle in 1946.


Theodore J. Dombo

OK Ohio Process Service Bill

COLUMBUS—The Ohio senate has passed a bill permitting insurers not licensed in Ohio to be sued in Ohio, with service on the state superintendent. Present laws require suit against a company not licensed in the state be filed in the home state of the insurer. The measure is aimed at companies which do business exclusively by mail.

Suggests Stronger T-H Law on Welfare Funds

Six U. S. Chamber of Commerce committees are recommending the Taft-Hartley law to strengthen administration of welfare funds. The groups are recommending legislation which would make misdemeanors of violations of the restrictions which prohibit payment of commissions or other compensation from the fund to officers of participating companies and unions and prohibit service by such persons as officials of insurers or brokers through which the fund places insurance.

The committees also recommended the appointment of a neutral trustee to serve with employer and employe trustees on jointly administered funds with the power to resolve disagreements, subject to court appeal. They suggested the authorization of the Secretary of Health, Education & Welfare to bring court proceedings to enforce trust agreements, and that trustees file with HEW an annual fund audit prepared by an accountant.

LAA Names Speakers

Additional speakers have been named to address the March 17-18 meeting of Life Advertisers Assn. eastern round table at New York City. August Heckscher, chief editorial writer of the New York *Herald Tribune*, will be the closing speaker and D. Bobb Slattery, vice-president and superintendent of agencies of Penn Mutual Life, will be the luncheon speaker March 17.

Also at the luncheon a report will be made by A. H. Thiemann, New York Life vice-president, president of LAA. In addition to program details announced in last week's issue, the round table will include the showing of a film on letter writing and reports on the 1955 workshop program of LAA.

Walker Newark Speaker

Newark Assn. of Life Underwriters will hear Robert L. Walker of Orlando, Fla., president of the national association, speak on looking ahead at a meeting March 16. He is Peninsular Life district manager at Orlando and a CLU.

Names Geary General Agent

Robert J. Geary has been appointed general agent for Ohio State Life at Fremont, O. His territory will cover Sandusky, Ottawa and Erie counties.

Mr. Geary has been with Ohio State Life for 15 years. Associated with him will be his son, Robert Geary Jr., with the company for five years.

Elect Anderson to Board

J. D. Anderson, agency vice-president of Guarantee Mutual Life, has been elected to the board.

Mr. Anderson joined Guarantee Mutual early in 1954 as agency vice-president. Before that he was agency vice-president and a director of Mid-Continent Life of Oklahoma City.

Life of N. C. Gets Charter

A charter has been issued to Life Ins. Co. of North Carolina, which will have headquarters at Kinston and initial capital of $400,000.

Detroit Agency Is 100

Leland J. Kalbach, president of Massachusetts Mutual, was a guest of the Howland agency at Detroit on the occasion of the 100th anniversary of the company's first office in Detroit. Also attending from the home office was Arthur Faulkner, underwriting secretary. Frank W. Howland, present general agent, is the seventh to serve the company in Detroit. He is a CLU.

Has 66% Gain for 2 Months

General American Life has established production records for the first two months of the year with new ordinary sales of $16,272,325, a gain of 66.2% over the same 1954 period. February ordinary sales were up 53.7%.

Equiowa Sets Feb. Record

Equitable Life of Iowa last month had its largest February production, new paid-for business of $10,868,450 representing a gain of 13.6% over February, 1954. New paid life for the first two months of the year set an all-time high for that period of $21,432,260, a 19.7% gain.

The Hugh S. Bell agency at Seattle led all agencies in February.

Cal-Western Raises Four

California-Western States Life has named John Blackhall assistant actuary, Joseph S. Heston Jr. assistant secretary, and Juan B. Rael Jr. and Robert N. Powell actuarial assistants.

Third '55 MDRT List Carries 286 Names

(CONTINUED FROM PAGE 1)

H. L. Wickstrand, Mutual of New York, Seattle; K. G. Wildes, New York Life, Juneau, Alaska; R. E. Williams, Northwestern Mutual, Richmond; H. E. Wirsing, Equitable Society, New York City; A. J. Wohlreich, Bankers National, East Orange, N. J.; E. C. Woller, Central Life, Milwaukee; John Zima, John Hancock, Washington, D. C.

LIFE

N. H. Burgheim, Northwestern Mutual, St. Louis; F. J. Campbell, Jr., Connecticut General, Philadelphia; W. R. Carrick, Aetna Life, Worcester, Mass.; R. L. Colby, Franklin Life, Ormond Beach, Fla.; G. A. Eubank, Prudential, New York City; H. G. Feldman, Aetna Life, Pittsburgh; M. F. Foster, Security Life & Trust, Greensboro, N. C.; A. L. Geller, Pacific Mutual, Houston; J. F. Goffredo, Northwestern Mutual, Philadelphia; W. C. Hester, Pan-American, Jackson, Miss.; E. A. Junker, New York Life, Modesto, Cal.; E. J. Kavanaugh, John Hancock, Columbus; H. G. Larsen, New York Life, San Mateo, Cal.; W. L. Lewis, Ohio State Life, Columbus; B. C. Lillis, Jr., Lincoln National, Vallejo, Cal.

J. R. Mage, Northwestern Mutual, Los Angeles; R. F. Mellor, Mutual Benefit, New York City; W. A. Menke, Jr., Franklin Life, San Diego; Jules Nassberg, Berkshire Life, New York City; A. J. Nussbaum, Massachusetts Mutual, Milwaukee; J. K. Petrie, New England Mutual, Baton Rouge; D. C. Poling, Prudential, Louisville; R. L. Powell, Northwestern Mutual, Philadelphia; J. G. Ranni, American Bankers Life, New York City; J. H. Reese, Penn Mutual, Philadelphia; C. J. Rennekamp, Aid Assn. for Lutherans, Aurora, Ill.; C. E. Rosch, Northwestern Mutual, Baltimore; A. G. Ruben, Mutual Benefit, Los Angeles; F. J. Salas-Berti, Pan-American, Caracas, Venezuela; E. E. Sammons, Southwestern Life, Dallas.

G. H. Schumacher, Massachusetts Mutual, Cleveland; T. M. Scott, Penn Mutual, Philadelphia; C. E. Smith, Northwestern Mutual, Chicago; H. W. Stanley, Equitable of Iowa, Wichita; Grant Taggart, California-Western States, Cowley, Wyo.; F. F. Talley, Acacia Mutual, Atlanta; Dix Teachenor, Kansas City Life, Kansas City; N. J. Woodland, National Equity Life, Baton Rouge; S. D. Wyman, Equitable Society, Boston; Takao Yamauchi, U. S. Life, Honolulu.

LIFE & QUALIFYING, FIRST TIME

Seymour Block, Mutual Benefit, New York City; Pat Bryan, Jr., Southwestern Life, Graham, Tex.; E. J. Christy, Occidental of Cal., Dearborn, Mich.; F. A Ditmars, Massachusetts Mutual, Hackensack; W. G. Doherty, New York Life, Boston; E.F. Gore, Franklin Life, Fort Lauderdale, Fla.; R. W. Harper, Minnesota Mutual, Denver; W C. Hartman, Jr., National Life, Athens, Ga.; Lt. Col. M. A. Laitman (Ret), Home Life, New York City; S. J. Levine, Mutual of N. Y., Chicago; Elliott McClung, Southwestern Life, Dallas; Kenneth Mitchel, Aetna Life, Los Angeles; D. L. Mitchell, Penn Mutual, Seattle; R. E. Olmsted, Mutual Benefit, Providence, R.I.; W. S. Poynor, Jr.,New York Life, Birmingham, Ala.

R. E. Rasmussen, New York Life, Phoenix; R. A. Rosenthal, Mutual of N. Y., St. Louis; R. H. Ruch, Mutual of N. Y., Louisville; Solomon Smith, Northwestern Mutual, Boston; Kenneth Spetner, Travelers, St. Louis; B. C. Swaim, Continental Assurance, Hartford; R. B. Walker, New York Life, Hollywood, Fla.; L. H. Warshell, Acacia Mutual, Chicago; S.S. Watts, Equitable Society, Norfolk, Va.; R. L. Weid, New England Mutual, Sacramento.

QUALIFYING, REPEATING

I. S. Bass, Home Life, Bridgeport, Conn.; S. S. Bliss, Ohio National, Erie, Pa.; G. H. Bowman, New York Life, San Francisco; A. P. Brastad, New York Life, Minneapolis; J. D. Campbell, Massachusetts Mutual, Lincoln, Neb.; E. P. Charlette, Union Central, South Bend, Ind.; L. H. Cheney, New York Life, Pasadena; J. W. Chittick, Prudential of London, Toronto; R. K. Clark, New England Mutual, Cleveland; W. S. Cobb, Jr. Connecticut Mutual, Boston; J. F. Dumas, New York Life, New Orleans; C. F. Edwards, Central Life, Cedar Rapids, Ia.; T. A. Ferns, Equitable Society, Akron; W. H. Goldsmith, Prudential of London, Toronto; J. R. Hathaway, New York Life, Glendive, Mont.

S. E. Hecker, Mutual of N. Y., New York City; G. J. Heffernan, Industrial Life, Montreal; J. D. Jones, Prudential, Jacksonville, Fla.; J. W. Kosena, New York Life, Butte; Alyse Laemmle (Mrs.), Beneficial Standard Life, Los Angeles; R. W. Leu, Massachusetts Mutual, Peoria, Ill.; M. L. Levy, Imperial Life of Canada, Toronto; C. N. McCarter, New York Life, Wichita; Douglas McLain, Northwestern Mutual, Springfield, Ill.; R. J. Manheimer, Equitable Society, New York City; L. L. Marshall, Jr., Prudential, Fort Worth; Roger Martel, Alliance Nationale, Montreal; H. B. Mathewson, Pacific National, Honolulu; Louis May, Connecticut General, New York City; Sol Minzer, California-Western States, Dallas.

A. P. Morris, Continental American, Newark; H. L. Mullins, New York Life, Albuquerque; T. L. O'Brien, Massachusetts Mutual, Washington, D. C.; C. L. Patrone, Bankers National, Hyde Park, Mass.; H. J. Peirce, Massachusetts Mutual, Indianapolis; John Phillips, III, New England Mutual, Memphis; R. F. Politzer, Great-West Life, Cleveland, Ohio; J. U. Posner, Connecticut Mutual, Rochester, N. Y.; William Rafkind, John Hancock, Miami; B. B. Resnik, Massachusetts Mutual, New Haven, Conn.; F. D. Richardson, Mutual Benefit, Los Angeles; W. I. Rosenthal, Life of Virginia, Newark; W. G. Schmidt, Penn Mutual, Chicago; E. F. Schnepel, Prudential, Houston; Ben Silver, New York Life, Oakland, Cal.

G. A. Snell, Prudential of London, Toronto; J. E. Steger, Massachusetts Mutual, St. Paul; J. B. Stoudemire, Massachusetts Mutual, Jacksonville, Fla.; S. O. Thompson, New England Mutual, New York City; R. F. Van Fosson, Prudential, Cowley, La.; David Waldman, Travelers, Baltimore; S. H. Watson, Equitable Society, Cleveland; A. D. Whitaker, Massachusetts Mutual, Providence, R. I.; W. F. White, Jr., Union Central, Corpus Christi; Irving Wool, New York Life, Boston; H. E. Workman, New England Mutual, Cleveland.

QUALIFYING FIRST TIME

J. E. Bailey, Northwestern Mutual, Kansas City; Rex Blackburn, New York Life, Honolulu; Herschel Blackwood, New York Life, Alexandria, La.; C. D. Bond, Jr., Fidelity Mutual, Detroit, Mich.; Edward Borg, New York Life, New York City; E. L. Buchanan, Great Northwest Life, San Francisco; T. A. Card, Mutual Benefit, Cleveland; R. O. Darnell, Provident Life & Accident, Jackson, Miss.; R. E. Davis, Connecticut General, Denver; W. W. Davis, Northwestern Mutual, Indianapolis, Ind.; Jean C. Dubuc, Imperial Life, Can., Montreal; W. J. Durgin, New York Life, New York City; A. F. Fiorello, Prudential, Detroit; Israel Franklin, Northwestern Mutual, No. Attleboro, Mass.; W. S. Griffin, National Life, Atlanta.

D. P. Hanson, Connecticut Mutual, Hartford; B. A. Holder, Provident L. & A., Jackson, Miss.; G. W. Jackson, Connecticut Mutual, Indianapolis; Louis Joannides, New York Life, Davenport, Iowa; J. N. Kalkas, Northwestern Mutual, Dayton; M. R. King, U. S. Life, New York City; A. R. Josephs, New York Life, Charlotte, N. C.; W. J. King, Prudential, New Orleans; C. J. Krasne, Connecticut Mutual, New York City; H. A. McGrath, Connecticut Mutual, Boston; Wallace McGwire, New York Life, Newark; R. J. Metz, New England Mutual, New York City; P. L. Miller, Connecticut Mutual, Toledo; D. F. Oyster, New York Life, Arlington, Va.; W. H. Perkins, Petroleum State, Beaumont, Tex.

F. D. Reynolds, Northwestern Mutual, Dayton; V. C. Romzick, independent, Detroit; J. P. Rudolph, Mutual Benefit, New York City; J. B. Russel, Sun Life, Can., Toronto; W. M. Scales , Jr., Security Life & Trust, Greenville, N. C.; N. C. Scott, New York Life, Los Angeles; W. G. Seeburger, Penn Mutual, Philadelphia; R. N. Sinclair, Jr., American United, Indianapolis; D. E. Spray, New York Life, Aurora, Ill.; Abraham Stock, United Benefit, Philadelphia; P. A. Stradling, Manufacturers Life, Vancouver; T. A. Sullivan, New York. Life, El Paso; G. Syme, Jr., Mutual Benefit, Atlanta; D. D. Taylor, Shenandoah Life, Clarksburg, W. Va; L. J. Teall, New York Life, Rochester, N. Y.

C. E. Thomas, Jr., New York Life, New Orleans; R. F. Triplett, New York Life, San Jose; A. R. Urquhart, New England Mutual, Wilmington, N. C., Robert Woock, Jefferson Standard, Corpus Christi; L. B. Wood, Jr., National Life, Atlanta; C. R. Yates, New York Life, Gainesville, Fla.; A. L. Zepf, Aetna Life, Toledo.

Midtown Managers Meet Mar. 18

Lester Einstein of East Orange, N. J., who retired two years ago as general agent in New York of Mutual Benefit Life, will tell Midtown Managers Assn. on Mar. 18 how to prepare for and enjoy retirement. He will talk about his activities before and after his 58th year when he retired from the Einstein & Salinger agency, which he founded in 1940.

Hinkle Named G. A. for Guarantee Mutual

Darrel G. Hinkle has resigned as superintendent of agencies for Guarantee Mutual Life to become a general agent for the company at Grand Island, Neb.

D. G. Hinkle

Mr. Hinkle joined the company as director of sales promotion in 1948 and advanced to field supervisor in 1952, assistant superintendent of agencies in 1953, and superintendent of agencies in 1954.

He entered the business in 1928 as a part time home office associate of Security Mutual Life. He completed the LIAMA course in agency management in 1953 in Chicago.

F. W. Cole Retires, DeWitt Travelers Chief Executive

(CONTINUED FROM PAGE 1)

made, the figure in parentheses being the year of joining the company.

Russell D. Leinbach (1925) from secretary of the premium accounting department to 2nd vice-president.

Richard M. Denne (1932) from assistant secretary personnel department to secretary of the department.

Harlan L. Howard (1927) and Alfred E. Duplessis (1948) from assistant secretaries of the methods and planning department to secretaries.

Ferdinand Rudolph (1927), John G. Phillips (1928), and Wayne L. Shaffer (1930) from supervisors in the branch office accounting department to assistant secretaries of the department.

Roger G. Nicholls (1935) from assistant superintendent of group accounting to assistant secretary premium accounting department.

Andrew B. Campbell (1939) from executive assistant personnel department to assistant secretary of the department.

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Bruce P. Henn (1926) and Frederick W. Hamilton (1936) from methods analysts to assistant secretaries of the methods and planning department.

Vernon J. Britt (1929) and John H. Conway (1926) to assistant auditors. Mr. Britt has been a traveling auditor and Mr. Conway a supervisor in the auditing department.

Thomas S. Walsh, (1929) to assistant superintendent and John F. Fitzgerald (1925), chief supervisor of group accounting in the premium accounting division. Mr. Walsh has been chief supervisor and Mr. Fitzgerald assistant chief supervisor.

Great-West Has Big Feb.

Great-West Life placed more than $34 million of new business during February for its second biggest sales month on record. California agency led with $2,400,000, and Chicago, Vancouver, Winnipeg and Cincinnati all topped the million-dollar mark. The company's United States organization, registering a 25% gain over comparable figures last year, experienced one of its best months. R. L. Thorpe of Indianapolis was individual leader with $335,551. Harry Beube, of Hamilton, Can., followed with $278,100.

● *John C. Mansfield* has been appointed supervisor of the Carothers agency of Lincoln National Life at Canton. He has been with the agency since 1952.

WANT ADS

Rates—$18 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER—LIFE EDITION

OPPORTUNITY

Two Group Sales Supervisors Wanted

A well established and growing Group Department of one of the nation's most progressive insurance companies is looking for the right men to fill important positions as a Group Sales Supervisor for Eastern North Carolina and Eastern Virginia and a Group Credit Life Supervisor to be located in the District of Columbia. Compensation will be by salary and an incentive bonus plan, thus assuring an adequate income and excellent opportunity for advancement. Good positions for the right men. Write giving qualifications and experience to Box D-67, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

Real Opportunity for Life Agency Director

Substantial 40 year old Life Company offers unusual opportunity to capable and ambitious Agency director. Man selected must have proven field record in recruiting, training, etc. Salary is open. It depends upon the man. Annual bonus supplements salary. If your record is good and present job does not offer you a big enough long range opportunity, write us today. This old and respected company is forging ahead under new and aggressive leadership. To the right man it offers the chance to go far. Our own employees know of this ad. Personal interview will be arranged. In reply, please give complete outline of your background and experience. Write Box D-80, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

ASSOCIATE ACTUARY

Age 32—7 years Life Experience. Seeks position with present and future. Address D-79, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

LIFE AGENCY MAN AVAILABLE

Experience: Twenty years. Began in field, then Home Office of large western company. Top agency officer middle size New York company 4 years. Full time and brokerage. Some A & H and Group. Age 43. Address D-82, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

ILLINOIS OPPORTUNITY

Large Eastern company desires man, University of Illinois grad. preferred, to live and work close to the campus at Champaign. Established district managership available with guaranteed salary, plus commissions and override. Address D-81, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

LIFE UNDERWRITER WANTED

Man who wants to be number one needed by rapidly growing Mid South company. Two or more years lay underwriting experience and administrative ability required. An opportunity with the right future for the right man. Address D-69, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

Ferns, Holderman Win Equitable Contest

Thomas A. Ferns of Akron was the leading producer and the Peoria agency headed by Fred G. Holderman Jr. led in first-year commissions in Equitable Society's year-long national competition.

Mr. Ferns, a member of the Woodward agency in Columbus, ranked first in ordinary and combined commissions. Mr. Holderman's agency led in first-year ordinary commissions, $400,645 combined commissions, $423,-815; paid ordinary volume, $33,005,-976; and club members, 114.

Norman C. Strong, New York City, took group honors. Miss Mildred Kornhauser, New York City, led the women.

Other national winners were A. L. Baker of Norfolk; William H. Muldowney of Grand Rapids; Lawrence E. Andersen of Arcadia, Cal.; Abraham Harris of Hewlett, N. Y.; T. G. Meyerhoff of Ossining, N. Y.; and A. R. Cassidy of Jacksonville, Fla.

Marsh Says Mutual Funds No Threat to Life Insurance

(CONTINUED FROM PAGE 3)

sales of insurance and/or securities.

Mutual funds, variable annuities, common trust funds, group insurance without commission, self-administered pension and profit sharing plans, said Mr. Marsh, are all merely symptoms of a new way of life, which was created by desires of the people. Life insurance salesmen must recognize this and adjust to it.

Looking at mutual funds and the thinking that general agents and managers have been doing about them, he pointed out that at the end of 1954 there was $6.1 billion invested in them by 1.7 million people. This makes an average of $3,600 per investor. Of these, there were only 212,000 accumulation plans in force, which fell into two categories, 111,000 voluntary, and 101,000 of the "front-end-load" variety.

The "front-end-load" are the ones which concern many general agents, but they needn't be concerned, he said, because the heavy loading for expense make them extremely difficult to sell. Of the total accumulation plans in force, there are only 9,000 with insurance, or only 4½% of such plans.

Summarizing, Mr. Marsh said there are 1,700,000 shareholders, of whom 12% are using the accumulation plan. Of this 12%, about 5.6% are using the compulsory savings system and less than six-tenths of 1% are utilizing life insurance in connection with their purchases. Less than 9,000 persons out of 62 million employed people are affected.

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If agents will compare these figures to life sales, they will see that this competition isn't much of a factor, for there were 5 million life policies sold in 1953.

In Mr. Marsh's opinion, equities will never become a serious competitive factor for the average agent because the commission is too low in comparison to life insurance, the average prospect for life insurance who has cash to invest in equities will not substitute them for life insurance, the occasional prospect who buys equities when he should have more protection wouldn't buy life insurance even if there were no mutual funds available; motivations to buy life insurance are entirely different from mutual funds, a different type of salesman is required, the market for investment in mutual funds is highly restricted because of lump sum cash requirements, and the results of the $40-per-month plan of New York Stock Exchange showed only 32,245 buyers for $6.7 million.

For the specialist in estate or financial planning or employe benefit plans, who seeks only clients with incomes of more than $12,000, there is a collateral sales and commission opportunity. That group in the higher brackets is going to invest in something in addition to life insurance.

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Specialists in estate planning are in competition with the investment broker and the investment counsellor, not with the life agent. He doesn't sell investments as such, just as he doesn't sell life insurance as such. The true professional estate planner uses the uninsurable approach. He assumes that his client is uninsurable, and after recognizing and identifying the client's problems, he decides on the best method of funding the client's objective.

Mutual funds are frequently an ideal solution to some of the client's objectives. They can't be substituted for life insurance, they can't be substituted for debt investments and they can't be substituted for investment in real estate. They are merely one medium of investment for a selected group of people willing to pay for management of their equity investments.

Mr. Marsh asked the managers what success their agents have had in selling clients who have adequate life insurance the single premium annuity as an investment. Not one had received 10% of his income in 1954 from single premium sales.

Life companies are not competitive in this field, Mr. Marsh said, and apparently don't want this type of business. But in the late 1920s and early 1930s he sold a lot of annual and single premium deferred annuities.

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The investment type of business has gone the same route as the insured pension plan, as proved by the steadily increasing term insurance sales and the decrease in the average premium per $1,000 on new business.

In 1940, life companies had a lock on the pension business, but they didn't go aggressively after it and the self-administered plan took over. Mr. Marsh said 85% of the new participants in pension plans today are covered under the self-administered variety.

Mutual funds are being used in pension and profit sharing plans and used by individuals to hedge against inflation and to keep abreast of the productivity of the business economy. They have a place in the financial economy and are not a threat to the life insurance business, said Mr. Marsh.

To Put Signs on Home Office

Jefferson Standard will erect three signs bearing the name of the company atop its home office building. Each of the signs will be 106 feet, 9 inches long by eight feet high, and will have metal letters with corrugated neon tubing.

Honor Bean on 35th Anniversary

Associates of Ferrel M. Bean, John Hancock Mutual Chicago general agent, held an open house in the agency offices in honor of Mr. Bean's 35th anniversary with the company. On from the home office office were Philip H. Peters and George Vinsonhaler, 2nd vice-presidents, James H. Magee, vice-president, and Charles Hoover of the general agency department. Mr. Bean has been a Chicago general agent since 1946.

A&H Assns. to Stage 'Membership Monday'

Local A&H associations throughout the country will observe April 18 as "Membership Monday." The day will feature a special drive by locals for new members, with a goal of 1,000 set for the country. To date, the majority of local associations have appointed special chairmen for the drive and have adopted a suggested, uniform program, according to Howard Nevenon, Washington National, Los Angeles, vice-president of the International and chairman of the Membership Monday committee.

In general, the day will open with a breakfast at which committeemen, organized in teams, will be drilled in a prepared sales presentation stressing the activities of the association in law and legislation, "Choose the Plan" directories, the DISC educational program, and the International's publication, "Accident & Health Underwriter."

Teams will be supplied prepared prospect lists and pledged not to return to their offices until the list has been completely called on. A late afternoon rally will receive reports of results. A number of associations are setting up special prizes for teams doing the best membership job, according to William Coursey, managing director of the International.

Hambleton Now Chairman of Great American, Tex.

C. O. Hambleton, executive vice-president of Great American Reserve was given the additional title of chairman at the annual stockholders' meeting. He was one of the company founders along with President Travis T. Wallace.

Proposed at the meeting were a 150% stock dividend and a limited stock issue to set up a pool with a minimum of 3,000 shares, from which only employes could purchase.

Saltsman Washington National Gen'l Agent

Thomas W. Saltsman has been appointed general agent for Washington National in Dayton, O., 941 Third National Bank building. Mr. Saltsman went with Washington National as an agent in 1952 and previous to that was with National Cash Register Co. of Dayton for four years. An active member of Dayton Assn. of Life Underwriters, he is president of East Wayne-Belmont Civic Assn. and takes a part in many other community improvements and affairs.

Hoogenboom to New Haven

State Mutual Life has appointed Aart Hoogenboom manager at New Haven. He has been assistant director of agencies of Union Casualty & Life.

Aart Hoogenboom

He entered life insurance in 1942 with Phoenix Mutual in Brooklyn. He was also brokerage supervisor of New England Mutual in New York City and director of training of U. S. Life.

Devine Maccabees Director

Arthur F. Devine, district manager of the Maccabees at Detroit since 1935, has been elected to the society's board, succeeding the late Peter Wiggle.

Mr. Devine has been a member of the Maccabees since 1926.

NEWS OF LIFE ASSOCIATIONS

Tri-City Texas Sales Meet Breaks Record

The San Antonio session of the Tri-City Sales Congress was marked by the largest attendance of life underwriters in the history of the city, with 576 paid attendance. The trend continued and it is estimated that approximaely 2,300 life underwriters were present at the three sessions held in San Antonio, Fort Worth and Houston.

R. L. McMillon, Business Men's Assurance, Abilene, speaker for the Leaders Round Table of Texas, discussed the value of the life underwriters association, second and third year failures, education for the agent, objectives of life insurance salesmen and the importance of continuing contacts with policyholders.

H. P. Gravengaard, vice-president of the National Underwriter Co., spoke on selling business insurance. R. Edwin Wood, Phoenix Mutual Life, San Francisco, gave an optimistic picture of the future, commenting that the next 10 years offer the most dynamic period in the country's history.

O. Alfred Granum, Northwestern Mutual, Amery, Wis., gave his well-known several-step method of selling, and Lester O. Schriver, managing director of the National association, closed the meeting with a inspirational talk.

Southern Cal. Caravan Schedule, Speakers Listed

LOS ANGELES—The Southern California caravan of the Life Underwriters Assn., headed by G. S. Barton, Penn Mutual, and M. M. Randall, Occidental, this year is composed of four teams, the members of which will present ideas on "Planning and Self-Organization"; "Prospecting," and "Presentation of the Sale". Teams and their schedules are:

Team No. 1—Mr. Randall, moderator; Harold Lunden, Pacific Mutual; H. G. Farrar, Northwestern Mutual; A. S. Soll, John Hancock. Schedule—Orange county, March 18; Santa Barbara, April 15.

Team No. 2—W. H. LeFevre, Mutual of New York, moderator; George Swift, Penn Mutual; Charles Franklin, Massachusetts Mutual. Schedule—Bakersfield, March 10; Long Beach, April 15.

Team No. 3—R. D. Christie, Sun Life, moderator; H. K. Bolles, Equitable Society; S. T. Collins, Occidental. Schedule—San Bernardino, March 25; Pomona, April 15.

Team No. 4—Mr. Barton, moderator; Lawrence Mann, Aetna; C. L. Rogers, Massachusetts Mutual; W. J. Ackerman, New England Mutual; alternates, C. H. Cheyney and S. L. Russell, both of Mutual Benefit. Schedule—Glendale, March 18; San Diego, April 20.

Northern Cal. Caravan Starts Tour March 16

The Northern California Sales Caravan, sponsored by California Assn. of Life Underwriters, begins its tour March 16. The first stop will be at San Mateo and on successive days until March 25 presentations will be made at Visalia, Modesto, Stockton, Sacramento, San Francisco, Oakland, San Jose, Vallejo and Chico.

Speakers include Reed C. Nelson, Oakland general agent for American Mutual Life, president of the state association; Robert E. Little, Paul Revere Life manager, president of California Assn. of A&H Underwriters; Phillip Knox, Jr., Oakland attorney and president of California Junior Chamber of Commerce, and Thomas C. Kallam, Kallam & Byers, Pacific National Life general agency.

Enthusiasm Key to Agent's Success, Cincinnatians Told

CINCINNATI—Of four major ingredients in the make-up of a successful man—knowledge, effective work habits, ability to prospect, and enthusiasm—the day to day enthusiasm a man possesses is the most important, W. Thomas Craig, general agent of Aetna Life at Los Angeles, told a meeting of Cincinnati Life Underwriters Assn. Where there is success, there is enthusiasm; where there is enthusiasm, there is success.

In life insurance, there is no substitute for action, Mr. Craig said. The successful man is constantly active. This is not true in other professions where an objective often can be accomplished merely by thinking and study. Knowledge, planning and study are never confused with action in life insurance selling.

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The enthusiastic life insurance man works with the great laws of selling, the speaker observed. He accepts the fact that the business is a business of ratios—prospects, calls, interviews, sales. The successful agent is always enthusiastic and optimistic about things in general. He believes he lives and works in the finest communty there is and that his opportunities are the greatest there than anywhere. He never knocks his competitor, boss, work or company.

Eleven past presidents were guests of honor, the earliest being Dr. J. W. Kirgan, Fidelity Mutual, who headed the association in 1911. Mr. Craig, formerly general agent for Aetna in Cincinnati, was president in 1942.

Expect 3,000 to Attend N. C. Sales Congresses

North Carolina Assn. of Life Underwriters, beginning April 12, will on successive days hold sales congresses at Charlotte, Hickory, Greensboro and Raleigh. Attendance of more than 3,000 is expected for the annual event of which W. F. Yates Jr., Lincoln National, Raleigh, is general chairman.

Speakers will be Frank B. Maher, vice-president John Hancock Mutual; Stanford Y. Smith, senior consultant LIAMA; Louis E. Throgmorton, vice-president and director of public relations Republic National Life; Alden C. Palmer, chairman Insurance R. & R., and Commissioner Gold of North Carolina.

New Castle, Pa.—Donald C. McCune, agency supervisor of Fidelity Mutual Life, is speaking on from policyholders to clients.

Beaver Falls, Pa.—John T. Fox, supervisor of Fidelity Mutual Life, will speak on why a client will refer an agent to another client if they prefer him as an agent.

Uniontown, Pa.—E. Donald Fuerst, partner of Fuerst & Porter, general agents of Manhattan Life at Pittsburgh, will speak on natural prospecting.

License More New Tex. Insurers

Licensing of new companies in Texas continued at an unabated rate during February. Listed below in order are the company name, home office city, combined capital and surplus and president.

City National Life, Fort Worth, $40,000, F. M. Jones; Bankers General Life, Dallas, $37,500, F. B. Ford; Commercial Travelers L. & A., Dallas, $40,000, G. R. Lee; Great Oil Basin Life, Odessa, $37,500, F. L. Schultz; Peerless Life, Dallas, $37,500, Arnold Pian; Southern Guaranty Life, $37,500, B. B. Meador; State Security Life, Corsicana, $37,500, J. R. Corley; Statesman Life, Austin, $37,500, J. F. Gray.

Present Awards to Leading Republic National Agents

Awards to top Republic National Life producers were presented by President Theo. P. Beasley at an agency convention in Savannah, Ga. The Wynnewood branch at Dallas was named "Agency of the Year". Elzie H. Jenkins is manager.

President's Club members for 1954 named by Mr. Beasley are E. L. Adkins, Mineola, Tex.; James Hamilton, Lubbock, Tex.; A. W. Kish, Champaign, Ill.; Paul Newsom, Lovington, N. M.; J. G. Oltorf, San Angelo, Tex.; Guyn P. Annell, Abilene, Tex.; James Parmer, Artesia, N. M. and Hale Cornelius and Harry Leak, both of Dallas.

Awards for membership in the Millionaire Club went to F. L. Covin, Longview, Tex.; A. W. Grapes, Belle Fourche, S. D.; M. L. Hansard, El Campo, Tex.; J. D. Moon, Amarillo, and E. C. Carter, Sapulpa, Okla. Ninety-nine representatives were named to production clubs and 20 agents received national quality award certificates from Lyman E. King, assistant vice-president and director of training. Other awards were presented by Robert P. Hale, director of ordinary agencies. Mr. Beasley was introduced by Clarence J. Skelton, senior vice-president and director of reinsurance.

A two-day managers' school preceded the agency meeting.

Pru Realigns N. J., Pa. District Offices

Prudential has realigned the Burlington, N. J. district territory and elevated the Fairless Hills-Levittown (Pa.) detached office to a district agency. Arthur W. Bond succeeds Henry M. Lewis, retired, as manager at Burlington, which will now handle New Jersey business in that area and Moorestown and Mt. Holly.

The new district, under Howard F. Fay, with headquarters in Fairless Hills, Pa., will handle business in that section and in the Bristol area.

Both men joined the company as agents, Mr. Bond in 1941 and Mr. Fay in 1946.

Caldwell Succeeds Dickey at Dayton for Minn. Mutual

Minnesota Mutual Life has appointed Lloyd L. Caldwell general agent at Dayton, succeeding C. B. Dickey who now will devote his full time to personal production for the company.

Mr. Caldwell, formerly with Washington National, has a long and varied insurance experience.

Cited for Group Records

Dallas, Birmingham and Boston offices of John Hancock won vice-president's group trophies for 1954 for leading medium, small and large offices, respectively. Dallas led all group sales and service offices in the country. Vice-president Clarence W. Wyatt presented the awards at dinners. He said the company's 1954 total group life volume was $637 million, highest in the group department's 30 years.

B.M.A. Texas, La. Agents Meet

More than 50 Texas and Louisiana agents of Business Men's Assurance attended a regional sales meeting at Mineral Wells, Tex.

Managers J. S. Harp, Dallas, T. J. Tomlinson, Shreveport, presided, assisted by T. G. Johnson, district manager at Houston. C. R. Moreland, sales assistant, and Norman Luedtke, underwriter, represented the home office.

Mortality at New Low: Metropolitan

Mortality among American wage-earners and their families established a new low record in 1954, according to experience among Metropolitan's industrial policyholders.

In the group, each of the major causes of death except cancer, and virtually all the causes of lesser importance, registered a lower mortality rate. New lows were established by tuberculosis, pneumonia, influenza, appendicitis, the complications of pregnancy and child-bearing, suicide and homicide.

The death rate among insured was 6.2 per 1,000, compared with a rate of 6.5 per 1,000 in 1953, with a reduction of nearly one fifth since 1940, and one-half since 1911.

There were 113,000 deaths in the group during the year, but if the rates by ages had been the same as those prevailing in 1911, there would have been 304,000 deaths.

Nearly three-fourths of all the deaths were attributed to cardio-vascular-renal diseases and cancer.

However, the rate from the cardio-vascular-renal diseases dropped 5% between 1953 and 1954—from 341.6 to 324.8 per 100,000 policyholders, including the death rate from coronary artery disease which fell from 108.7 to 104.8 per 100,000.

Cancer of all forms recorded a slight increase from 126.7 per 100,000 to 128.7. Malignancies of the digestive system and of the respiratory system each showed a rise in mortality of slightly more than 4%.

Tuberculosis mortality fell to an unprecedented low of 8.9 per 100,000 from the previous minimum of 10.4 set in 1953. The pneumonia death rate decreased from 15.1 per 100,000 to 12.9 in 1954, and influenza from 2.7 to 1. Acute poliomyelitis recorded a death rate of .7 per 100,000 policyholders in 1954, compared with 1 in 1953 and 1.5 in 1952. Accident fatalities in the experience decreased from 38.6 to 36.8 per 100,000. The death rate from motor vehicle accidents decreased from 16.3 per 100,000 to 14.6, the lowest rate since 1949. Both suicide and homicide dropped to all-time low levels, 5.5 and 2.3 per 100,000, respectively.

Monumental Life Makes Several Field Promotions

Monumental Life has transferred Ernest L. Younkin from Detroit district No. 1 to Columbus, a larger district, and has named John A. Loy, formerly Lansing manager, to succeed him at Detroit.

James E. Ratliff, formerly staff manager at Detroit district No. 2, goes to Lansing as manager and William H. Taylor moves up to Mr. Loy's former post.

Mr. Younkin joined the company in 1936, Mr. Loy in 1940, Mr. Ratliff in 1948 and Mr. Taylor in 1953.

N. C. A&H Advertising Bill

A bill has been introduced in the North Carolina legislature which would require advertising of A&H policies to include reference to all exceptions, which would be printed in as large a type as that used to advertise benefits. Agents who sell A&H insurance would have to be bonded unless they resided in the state for at least a year. The bond would be subject to forfeiture for "a wilful misrepresentation of the terms of the policy" and agents could be fined and have their licenses revoked for five years for two such fines within two years.

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ANNUAL STATEMENT
of
The Lincoln National Life
Insurance Company

FORT WAYNE, INDIANA

BALANCE SHEET AS OF DECEMBER 31, 1954, CONDENSED FROM THE REPORT FILED WITH THE INDIANA INSURANCE DEPARTMENT

RESOURCES

Cash in Bank and Office	$ 13,037,146.99
Bonds and Stocks	589,927,953.96
Mortgage Loans	332,630,034.88
Loans to Policyholders	50,785,915.21
Collateral Loans	2,348,401.42
Balance Due on Properties Sold Under Contract	927,149.33
Real Estate Held as Investment	22,124,582.48
Home Office Property	655,000.00
Interest Due and Accrued	6,678,611.60
Net Premiums in Course of Collection	21,656,081.08
All Other Resources	3,165,947.12
TOTAL RESOURCES	**$1,043,936,824.07**

LIABILITIES

Policy Reserves		$800,534,443.66
Additional Policyholders' Funds		29,652,771.72
Prepaid Premiums and Interest		14,086,325.93
Claim Reserve		9,548,406.63
Reserve for Taxes Payable in 1955		6,422,105.67
Miscellaneous Contingency Reserves		89,060,241.28
All Other Liabilities		4,549,985.70
TOTAL LIABILITIES (except capital)		$953,854,280.59
Capital	$10,000,000.00	
Unassigned Surplus	80,082,543.48	
SURPLUS TO PROTECT POLICYHOLDERS		90,082,543.48
TOTAL		**$1,043,936,824.07**

PROGRESS HIGHLIGHTS

Insurance in force showed a gain during 1954 of $593,862,416 to a total of $6,865,498,300.
Admitted assets increased during the year by $85,272,700 to a total of $1,043,936,824.
New business during 1954 amounted to $1,135,926,338, the greatest amount of paid business in the Company's history.
The surplus to protect policyholders increased $15,934,606 during the year to a total of $90,082,543.

***Note:** This balance sheet is applicable in all states except New Jersey, Colorado, and Massachusetts. In these three states, by reason of certain statutory requirements, it is subject to slight variation.*